A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding a new section 110 and a new subchapter IX of chapter 6 for the purpose of setting aside certain excess revenues until fiscal year 2002, and for other purposes.

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

Section 1. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 110 to read as follows:

"Section 110. Set-aside of certain excess revenues.

(1) For fiscal year 1994 and each subsequent fiscal year an amount (the 'set-aside amount') equal to 50 percent of the base amount, as hereinafter defined, shall be deposited to the Future Fund provided for in subchapter IX of chapter 6 of this title.

(2) The proposed budget submitted to Congress shall contain a revenue/expenditure summary with separate columns for the different sources of revenues and expenditures. There shall be a column for the General Fund divided into Current and Capital subcolumns. The 'base amount' shall equal:

(a) Total estimated revenues in the General Fund (Current) subcolumn of the proposed budget, including unappropriated funds from prior years, lapses and adjustments, and new revenues during the subject fiscal year, minus

(b) Total estimated expenditures in the General Fund (Current) subcolumn of the proposed budget, as altered by Congress in the appropriation act approving the budget. The base amount shall be unaffected by subsequent changes in estimated or actual revenues, amendments to said appropriation act, or other appropriations.

(3) The set-aside amount for a fiscal year shall be transferred from the General Fund to the Future Fund, at the
discretion of the Secretary of Finance, in one or more transfers as 
soon as reasonably practicable after the start of that fiscal year;

PROVIDED, however, that at least 10 percent of the set-aside 
amount shall have been so transferred by the end of the first 
quarter of the fiscal year, 30 percent by the end of the second 
quarter, 60 percent by the end of the third quarter, and 100 
percent by the end of the fiscal year. If and to the extent that 
such minimum quarterly transfers might reasonably be expected 
to leave the National Government unable to meet its obligations 
as they come due, and upon written certification and explanation 
thereof from the Secretary of Finance to the President, the 
Secretary of Finance may further delay such transfers."

Section 2. Title 55 of the Code of the Federated States of Micronesia is 
hereby further amended by adding a new subchapter IX to chapter 6, entitled 
"Future Fund."

Section 3. Title 55 of the Code of the Federated States of Micronesia is 
hereby further amended by adding a new section 660 of subchapter IX of 
chapter 6 to read as follows:

"Section 660. Establishment. There is hereby established a Future 
Fund, hereinafter referred to as the 'Fund,' separate from the 
General Fund of the Federated States of Micronesia and all other 
funds."
Section 4. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 661 of subchapter IX of chapter 6 to read as follows:

"Section 661. Deposits. Deposits to the Fund shall be made as provided in section 110 of this title and may be made as otherwise directed by resolution or act of the Congress of the Federated States of Micronesia."

Section 5. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 662 of subchapter IX of chapter 6 to read as follows:

"Section 662. Disbursements. Money in the Fund may be disbursed by appropriation at any time for any purpose, but only during or after fiscal year 2002. Before then, no money may be disbursed from the Fund."

Section 6. 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: 5/7/95

Introduced by: [Signature] Joseph J. Urusemal (by request)