

A BILL FOR AN ACT

Establishing a Civil Liability Fund for the Government of the Federated States of Micronesia as a special fund separate from the General Fund of the Federated States of Micronesia, by creating a new subchapter XVII under Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, setting out the legal establishment of the fund, its purpose, administration, authorization for appropriation, and reporting of the fund, reserving chapter XVI under title 55 of the FSM Code, and for other purposes.

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

1 Section 1. Title 55 of the Code of the Federated States of
2 Micronesia (Annotated), as amended, is hereby further amended by
3 establishing subchapter XVI as a "reserved chapter" for future
4 use.

5 Section 2. Title 55 of the Code of the Federated States of
6 Micronesia (Annotated), as amended, is hereby further amended by
7 establishing a new subchapter XVII entitled: "Civil Liability
8 Fund".

9 Section 3. Title 55 of the Code of the Federated States of
10 Micronesia (Annotated), as amended, is hereby further amended by
11 inserting a new section 1701 under subchapter XVII to read as
12 follows:

13 "Section 1701. Civil Action Liability Fund;
14 establishment.

15 There is hereby established a Civil Liability Fund,
16 hereafter referred as the "Fund" under this subchapter,

1 separate from the General Fund of the Federated States
2 of Micronesia and all other funds.”

3 Section 4. Title 55 of the Code of the Federated States of
4 Micronesia (Annotated), as amended, is hereby further amended by
5 inserting a new section 1702 under subchapter XVII to read as
6 follows:

7 “Section 1702. Purpose.

8 The purpose of the Fund to provide reliable funding to
9 cover all final judgments involving financial claims
10 against the Government of the Federated States of
11 Micronesia in any given fiscal year.”

12 Section 5. Title 55 of the Code of the Federated States of
13 Micronesia (Annotated), as amended, is hereby further amended by
14 inserting a new section 1703 under subchapter XVII to read as
15 follows:

16 “Section 1703. Administration.

17 The Fund shall be administered by the President of the
18 Federated States of Micronesia, or his designee. The
19 Secretary of Justice shall recommend to the President
20 legal guidance, procedures and regulation necessary and
21 appropriate for the effectuation and implementation of
22 the provisions of this subchapter, including timing of
23 satisfaction of judgments, in connection with any
24 existing or potential litigation cases or any legal
25 matters or dispute involving the Government of the

1 Federated States of Micronesia that has resulted to, or
2 has a potential of creating, a financial liability
3 against the Government of the Federated States of
4 Micronesia.”

5 Section 6. Title 55 of the Code of the Federated States of
6 Micronesia (Annotated), as amended, is hereby further amended by
7 inserting a new section 1704 under subchapter XVII to read as
8 follows:

9 “Section 1704. Deposits.

10 All future appropriations for the Fund and any
11 appropriations for payment of judgments shall be
12 deposited in the Fund. Any unexpended moneys in this
13 Fund shall neither revert to the General Fund nor lapse
14 at the end of the fiscal year.”

15 Section 7. Title 55 of the Code of the Federated States of
16 Micronesia (Annotated), as amended, is hereby further amended by
17 inserting a new section 1705 under subchapter XVII to read as
18 follows:

19 “Section 1705. Authorization for appropriation.

20 There is hereby authorized for appropriation to the Fund
21 the amount of \$6,000,000 to be appropriated as follows:

22 (a) \$2,000,000 shall be appropriated by the 22nd FSM
23 Congress during its sixth regular session in January
24 2023,

25 (b) \$2,000,000 shall be appropriated by the 23rd FSM

1 Congress during its first regular session in May 2023,
2 and
3 (c) \$2,000,000 shall be appropriated by the 23rd FSM
4 Congress during its second regular session in September
5 2023.”

6 Section 8. Title 55 of the Code of the Federated States of
7 Micronesia (Annotated), as amended, is hereby further amended by
8 inserting a new section 1706 under subchapter XVII to read as
9 follows:

10 “Section 1706. Report. The President or his designee
11 shall report to the Congress of the Federated States of
12 Micronesia on the status of the Fund at the close of
13 each fiscal year.”

14 Section 9. This act shall become law upon approval by the
15 President of the Federated States of Micronesia or upon its
16 becoming law without such approval.

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18 Date: 9/14/22

Introduced by: /s/ Florencio S. Harper

Florencio S. Harper
(by request)

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