

AN ACT

To amend chapter 3 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-72, by amending sections 308, 309, and 326 thereof, and for other purposes.

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

1           Section 1. Section 308 of title 55 of the Code of the  
2 Federated States of Micronesia, as enacted by Public Law No. 13-  
3 72, is hereby amended to read as follows:

4           "Section 308. Appeal of Special Conditions.

5           (1) If, at any time, JEMCO or the Government of the  
6 United States imposes, or notifies the Federated States  
7 of Micronesia of its intent to impose, any special  
8 conditions or restrictions on any Compact Grant Awards,  
9 the President shall immediately notify any and all  
10 affected State Governments thereof and provide such  
11 Government(s) with copies of all relevant documentation,  
12 including the explanation that is received from the  
13 United States or JEMCO of the conditions and  
14 restrictions and the reasons therefor.

15           (2) Any affected Government may, subject to the terms  
16 of this subsection, dispute the decision to impose  
17 special conditions or restrictions by submitting a  
18 written appeal for reconsideration within twenty (20)  
19 days of the Federated States of Micronesia's receipt of  
20 the Grant Award to which such conditions or restrictions

1           were attached or the date notification of the intent to  
2           impose special conditions was received by the Federated  
3           States of Micronesia from the Government of the United  
4           States, in accordance with the terms of the Fiscal  
5           Procedures Agreement. Any and all such appeals shall be  
6           addressed to the Government of the United States and  
7           routed through the Office of the President. The  
8           President shall submit any such appeal(s) to the  
9           Government of the United States within ten (10) days of  
10          his receipt thereof unless the President determines that  
11          the submitting of the appeal is not in the best  
12          interests of the nation."

13          Section 2. Section 309 of title 55 of the Code of the  
14          Federated States of Micronesia, as enacted by Public Law No. 13-  
15          72, is hereby amended to read as follows:

16                 "Section 309. Grant Acceptance.  
17                 The President shall sign and return to the Government of  
18                 the United States each Grant Award, unless rejected  
19                 pursuant to section 307(3) hereof, and shall transmit a  
20                 copy thereof to Congress and each State Government."

21          Section 3. Section 326 of title 55 of the Code of the  
22          Federated States of Micronesia, as enacted by Public Law No. 13-  
23          72, is hereby amended to read as follows:

24                 "Section 326. Transition - Original Compact.  
25                 (1) Until all funds received under the Original

1 Compact categories have been exhausted, each State  
2 Government shall, no later than December 15 of each  
3 year, submit to the President a report setting forth  
4 expenditures made and year-end fund balances by Original  
5 Compact category\_for the previous Fiscal Year; provided  
6 however, that this subsection (1) shall not apply to  
7 funds received pursuant to section 211 of the Original  
8 Compact.

9 (2) Available capital project funds that were allotted  
10 to any of the State or the National Governments pursuant  
11 to section 211 of the Original Compact that subsequently  
12 lapse or are de-appropriated pursuant to the laws of the  
13 respective State or National Government shall revert to  
14 the current account of the respective government  
15 following submission of the relevant lapse provision or  
16 de-appropriation legislation to the Secretary.

17 (3) Each State finance officer shall promptly close  
18 out Original Compact capital project accounts upon  
19 project completion. Unused spending authority resulting  
20 from\_project close-out shall revert to the current  
21 account of the respective government.

22 (4) Nothing in this section shall be deemed to change  
23 or modify the distribution of capital account funds  
24 between a State and any of its municipalities as it  
25 existed as of September 30, 2003."

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

February 23, 2005

/s/ Joseph J. Urusemal  
Joseph J. Urusemal  
President  
Federated States of Micronesia

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