

AN ACT

To further amend Title 55 of the Code of the Federated States of Micronesia, as amended, by amending sections 303 and 306 thereof to modify the division formula for Compact funds, and for other purposes.

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

1 Section 1. Section 303 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 303. Division of Compact Funds among National
5 and State Governments.

6 (1) The Compact Budget Requests for Fiscal Years 2005
7 and 2006 of the National Government and of each State
8 Government under section 305 of this chapter shall be
9 based upon a division of Compact funds in the following
10 proportions:

11	Chuuk	38.57%
12	Kosrae	11.06
13	Pohnpei	25.69
14	Yap	16.03
15	National Government	8.65

16 (2) For Fiscal Year 2007 and
17 thereafter, the chief executives of the
18 National Government and each of the State

1 Governments shall have the authority to
2 enter, from time to time, into one or more
3 agreements setting forth the proportionate
4 amounts of Compact funds that shall be the
5 basis of each Government's Compact Budget
6 Request under sections 305 and 306 of this
7 chapter, provided that the National
8 Government's proportionate amount of Compact
9 funds for each Fiscal Year shall be ten
10 percent (10%) of the estimated level of
11 Compact funding for that year. An agreement
12 regarding the division of Compact funds,
13 other than the National Government's ten
14 percent (10%) share, may be limited to a
15 specified period of time and shall only be
16 effective when signed by the chief executive
17 of each and every Government."

18 Section 2. Section 306 of Title 55 of the Code of the
19 Federated States of Micronesia, as enacted by Public Law No. 13-
20 72, is hereby amended to read as follows:

21 "Section 306. Plan For the Division of Annual Economic
22 Assistance.

23 (1) The President shall consolidate the Compact Budget
24 Requests of all of the States and the National
25 Government Compact Budget Request, conforming with the

1 requirements of section 103 of this title, into the Plan
2 for the Division of Annual Economic Assistance. The
3 National Government compact Budget Request included in
4 the Plan for the Division of Annual Economic Assistance
5 shall constitute, for Fiscal Year 2007 and each fiscal
6 year thereafter, ten percent (10%) of the estimated
7 level of Compact funding for that year. No modification
8 to a State's Compact Budget Request shall be made in the
9 consolidation process without the prior consent of the
10 relevant State Government, except to the extent that
11 such Compact Budget Request exceeds the estimated levels
12 of Compact funding provided to that State Government
13 pursuant to section 304 of this chapter.

14 (2) No later than July 3 of the year preceding a given
15 Fiscal Year, the President shall submit the Plan for the
16 Division of Annual Economic Assistance to the Government
17 of the United States and shall transmit a copy to
18 Congress and to each State Government."
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Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

May 6, 2005

/s/ Redley Killion for
Joseph J. Urusemal
President
Federated States of Micronesia

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