

A BILL FOR AN ACT

To amend section 1204 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-67, to clarify the purpose of the FSM Trust Fund, and for other purposes.

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

1           Section 1. Section 1204 of title 55 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended by Public  
3 Law No. 19-67, is hereby further amended to read as follows:

4           "Section 1204. Purpose.

5                   (1) The purpose of Account A and Account B of the  
6 FSM Trust Fund is to offset shortfalls in local  
7 revenues for the FSM Government. The accounts shall  
8 be managed with a disciplined approach to ensure the  
9 protection of the Fund's Real Value into perpetuity  
10 while providing a sustainable source to supplement  
11 the needs of the General Fund. Specifically, the  
12 accounts shall:

13                           (a) assist the National Government and other  
14 participating governments to achieve greater financial  
15 autonomy in the management of their recurrent budgets;

16                           (b) enable the FSM at all levels of government  
17 to meet long-term maintenance and operating costs of  
18 social and economic infrastructure; and

1                   (c) enable the FSM at all levels of government  
2                   to improve existing levels of social and economic  
3                   infrastructure.

4                   (2) The purpose of the State Sub-Account's A and B  
5                   of the Fund are distinct and defined in section 1217 of  
6                   this chapter."

7                   Section 2. This act shall become law upon approval by the  
8                   President of the Federated States of Micronesia or upon its  
9                   becoming law without such approval.

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\_\_\_\_\_ August 7, 2019

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/s/ David W. Panuelo  
David W. Panuelo  
President  
Federated States of Micronesia