

A BILL FOR AN ACT

Approving the designated uses of the China financial assistance of US\$4,000,000.00 to the Federated States of Micronesia for the expressed purpose of "assisting emergency government financial reforms", and for other purposes

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

1 Section 1. There is hereby appropriate from the General Fund
2 of the Federated States of Micronesia that certain sum of money of
3 \$4 millions dollars in the form of a grant from the People's
4 Republic of China to the Federated States of Micronesia with the
5 expressed condition that the grant shall be used "only to assist
6 emergency government financial reforms" programs. The sum shall
7 be used as follows:

8 (a) \$1.6 millions shall be paid into the Chuuk State
9 Financial Reform Stabilization Fund anticipated in the Chuuk State
10 Reform Memorandum of Understanding of July, 2007, with the FSM
11 referenced in the Chuuk State Governor Executive Order NO. 10-
12 2007, dated August 27th 2007, for the purpose of repaying back the
13 FSM National Government the \$1.6 millions due and owing to the FSM
14 National Government under Public Law No. 10-31.

15 (b) \$1.2 millions into the same Chuuk State Reform
16 Stabilization Fund for the purpose of repaying delinquent Chuuk
17 State employees social security taxes unremitted by the Chuuk
18 State Department of Finance and Administration to the FSM Social
19 Security Administration.

1 (c) \$700,000.00 shall be paid to the same Chuuk State
2 Financial Reform Stabilization Fund for the purposes of payment to
3 the FSM Treasury for unremitted FSM income taxes collected by the
4 Chuuk State Department of Finance and Administration and for other
5 unpaid payroll allotments.

6 (d) \$500,000.00 shall be paid to the Kosrae State General
7 Fund for the purpose of funding the State's employees' severance
8 pay package as part of its budgetary and financial reforms.

9 Section 2. The funds appropriated under Sections 1(a)-(c) to
10 be paid into the Chuuk State Reform Stabilization Fund shall be
11 allotted to the President of the Federated States of Micronesia.
12 The funds appropriated by Section 1(d) shall be allotted to the
13 FSM President for sub-allotment to the respective state
14 governor(s).

15 Section 3. This act shall become law upon approval by the
16 President of the Federated States of Micronesia or upon its
17 becoming law without such approval.

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19 Date: 9/17/07

Introduced by: /s/ Joe N. Suka
Joe N. Suka
(by request)

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