

AN ACT

To establish a Development Authority for the Northwest Region, to provide for its organization, management, authority and responsibility, and for other purposes.

BE IT ENACTED BY THE CHUUK STATE LEGISLATURE:

1 Section 1. Establishment of Authority. The Northwest Development Authority
2 (NWDA) is hereby established as a public corporation under the laws of the State of
3 Chuuk and the Federated States of Micronesia. The principal office of the authority shall
4 be at a location determined by the Board.

5 Section 2. Area of Service. The Authority is hereby established to serve the
6 following municipalities within the State of Chuuk:

7 (1) Houk

8 (2) Polowat

9 (3) Tamatam

10 (4) Pollap

11 (5) Onoun

12 (6) Mokur

13 (7) Onou

14 (8) Unannu

15 (9) Piherarh

16 (10) Nomwin

17 (11) Fanannu

18 (12) Ruo and

19 (13) Murilo

20 Section 3. Purpose of Authority. The Authority shall identify the development
21 needs of its area of service and shall provide economic development activities in
22 coordination and cooperation of the State and National Governments.

23 Section 4. Board of Directors.

- 1 A. Establishment. There shall be a Board of Directors of the Northwest
2 Development Authority which shall have general management and control
3 over the authority;
- 4 B. Composition. The Board shall be composed of 3 members, one from each
5 of the three island groups namely: Pattiw, Nomonwito and Paffong in the
6 Northwest Region as members-at-large with the consent of a simple
7 majority of the 13 respective municipal government mayors of the
8 Northwest Region.
- 9 C. Terms of Office. Terms of office of those members appointed by the
10 municipalities shall be for four years, except that the initial terms of office
11 and filling of vacancies shall be as provided in this act. The terms of office
12 shall commence on the day of the first meeting of the Board.
- 13 D. Organization Meeting. Not later than thirty days after the effective date of
14 this act, the Board shall meet to select its officers and conduct such other
15 business as it shall deem advisable. The first meeting of the Board shall be
16 called by the FSM senator from the Northwest Region, who shall preside
17 at the first meeting until the officers have been elected.
- 18 E. Vacancies. Each vacancy on the Board shall be filled to serve out the
19 unexpired term in the same manner as originally filled. Upon a
20 determination that a vacancy exists, the Chairman or, in his absence, the
21 presiding officers of the Board shall issue a notice of vacancy to all
22 members of the Board and to the municipality responsible for filling the
23 vacancy.
- 24 F. Removal.
- 25 1) Members of the Board may be removed from office, for failure to
26 attend three consecutive meetings of the Board, or for incompetence,
27 neglect of duty, or malfeasance in office.
- 28 2) Removal of a member, except for failure to attend three consecutive
29 meetings (which does not need a vote of the board), shall be by a three
30 fourths majority vote of all other members of the Board. Notification
31 of intent to call for the removal of a member pursuant to this section

1 shall be made at least thirty days in advance, and shall include a
2 summary of the allegation against a member including the names of
3 witnesses and evidences to be call and used against such a member.

4 G. Officers. The Board shall elect from among its members a Chairman,
5 Vice Chairman and a Secretary.

6 H. Regular Meetings. Regular meetings shall be held not less than once in
7 one calendar quarter, at such time and place as may be from time to time
8 be determined by the Chairman upon notice as may be provided.

9 I. Special Meetings. Special meetings may be called by the Chairman on
10 his initiative, or by a petition by one third of the members.

11 J. Quorum. A quorum to legally transact business of the Board shall
12 Consists of 2 members of the Board, representing the three island groups
13 of the Northwest Region.

14 K. Records of Meetings. All meetings of the Board shall be public except
15 when confidential matters relating to personnel are discussed. The
16 Secretary-Treasurer shall be responsible and to ascertain that all records of
17 the Board meetings are maintained and readily made available for public
18 inspection at reasonable times and places.

19 L. Powers of the Authority. The Authority, through its Board of Directors
20 shall have the following powers, obligations and duties:

21 (1) To identify the needs for the economic, educational and other social
22 development of the areas served by the authority, taking into account
23 the cultural and social traditions of the area;

24 (2) To formulate plans and goals for the development of the resources of
25 the area;

26 (3) To seek from all appropriate sources funds for the implementation of
27 such plans;

28 (4) To administer programs and projects in furtherance of such
29 developmental goals, either through its employees or by contract, or
30 such other means as the Board deems advisable;

- 1 (5) To employ an Executive Director a Project Coordinator and a
2 Secretary and to set the terms of employment for other staff and
3 employees as may be deemed by the Board to be needed in furtherance
4 of the goals of the Authority;
- 5 (6) To acquire in any lawful manner any property, real, personal, or
6 mixed, tangible, or any interest therein, to hold, maintain and use the
7 same; and to sell, lease or otherwise dispose of the same at such time,
8 manner, and to the extent deemed necessary to the Board to carry out
9 its purposes;
- 10 (7) To establish, maintain, operate, and engage in, upon its own account,
11 any appropriate enterprise, undertaking, or activities in furtherance of
12 the purpose of the Authority; and to receive payments thereof, such
13 payment to go into the general revenues of the authority;
- 14 (8) To enter into and perform such contracts or other agreements or
15 transactions as may be necessary in the conduct of its business and
16 such terms as it may deem appropriate;
- 17 (9) To borrow money from time to time; provided however, that the debts
18 of the authority shall not be debts of the State of Chuuk or any of its
19 political subdivisions; the assets of the State Government or its
20 political subdivisions shall not be used as security for the debts of the
21 Authority, unless otherwise provided by law;
- 22 (10) To levy and collect charges, fees, and other payments for goods
23 sold and services rendered by the authority, except that no such levy
24 shall be in the form of a tax or assessment levied against the general
25 public, the users of public facilities, or property benefitted by actions
26 of the Authority unless specifically authorized by law;
- 27 (11) To execute all instruments necessary or appropriate in the exercise
28 of its powers;
- 29 (12) To take such other actions and assume such other responsibilities
30 as may be necessary or appropriate to carry out the duties conferred to
31 it by law; and

1 (13) To approve bylaws, policies and procedures for the guidance and
2 operation of the Authority.

3 Section 5. Management.

4 (1) The Authority, through the Board, may receive, manage, invest, and disburse
5 funds or other property which may be appropriated, granted, or in any other
6 manner received from any source for the purpose of the Authority. The
7 Authority may use governmental accounting procedure or if appropriate, such
8 financial or accounting system as may be prescribed by law for commercial
9 companies.

10 (2) The Authority may purchase supplies, equipment and materials through its
11 own purchasing procedure or governmental purchasing procedures as it may
12 deem appropriate.

13 Section 6. Annual Budget. The Executive Director shall prepare and submit a
14 budget for approval by the Board of Directors for the Authority's annual operation.

15 Section 7. Executive Director. There shall be an Executive Director of the
16 Authority, who shall be appointed by Board and serve at its pleasure. The Board shall
17 establish the salary of the Executive Director. The Executive Director shall be
18 responsible for management of the programs, projects and other activities of the
19 Authority and shall employ, supervise and terminate employees of the Authority in
20 accordance with the general terms and rules of the employment by the Board.

21 Section 8. Accounts and Records. The Board and the Executive Director shall be
22 jointly responsible to ensure that a proper and complete books of accounts reflecting all
23 income, expenditures, assets, and liabilities of the authority, including appropriations,
24 grants and property. The Board, not later than sixty days after the close of each
25 governmental fiscal year, shall submit to the Governor and the presiding officers of the
26 Legislature a complete report showing the activities of the Authority during the fiscal
27 year, the present condition of the Authority and such other matters as the Board shall
28 deem appropriate. The State Public Auditor or a licensed accountant appointed by the
29 Board shall inspect and audit all the accounts and book of the Authority at least annually,
30 and report thereon to the Governor and the Legislature.

1 Section 9. Taxation and the Authority. To the extent that the legislative capacity
2 of the State of Chuuk can prescribe, the Authority shall be treated as a governmental
3 entity and shall be exempted from tax in the same manner as a governmental entity with
4 regard to its functions that are governmental in nature. With respect to functions that the
5 Authority may undertake that are commercial in nature, as that function is currently
6 exercised by the government of the State of Chuuk or its subdivisions the Authority shall
7 be treated as a non-profit commercial enterprise.

8 Section 10. Personnel Administration.

9 (1) The Authority may establish its own personnel system and polices,
10 independent of the Chuuk State Public Service System; or may, by appropriate
11 resolution of the Board addressed to the Governor, be included in the Chuuk
12 State Public Service System for purposes of its personnel administration;
13 provided that, if the Authority chooses to be included in the State Public
14 Service System, the Board may designate from time to time such positions as
15 it deems appropriate to be exempted from that system.

16 (2) All employees of the Authority, including the Executive Director, and other
17 future employees, were members of the Chuuk State Public Service System
18 immediately prior to their employment with the Authority, shall continue to
19 accrue such rights as their seniority entitles them during employment with the
20 Authority.

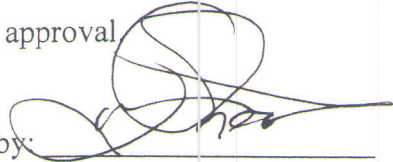
21 (3) The Board may, by general rules applicable to all employees, assign to such
22 employees levels of wages and benefits that take into account, in whole or in
23 part, their prior governmental employment.

24 (4) The Chuuk State Government shall provide to all former employees of the
25 Authority, who shall have terminated their employment in good standing, such
26 rights of employment and seniority as their service to the Authority, as well as
27 prior government service, would entitle them as if all such service were with
28 the Chuuk State Government or the Trust Territory Government.

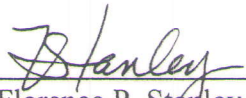
29 Section 11. Notification to Municipal Governments Regarding Projects. The
30 Authority shall endeavor to inform affected municipal governments of any projects
31 planned for their communities at the earliest practical opportunity and shall continue to

1 inform them and members of the public of the nature of the projects and any substantial
2 changes in their plans.

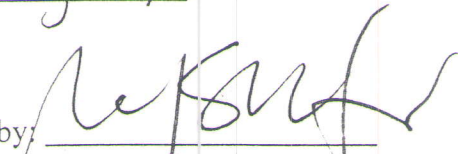
3 Section 12. Effective Date. The Act shall take effect upon approval by the
4 Governor or upon it's otherwise becoming law without such approval

Signed by: 
Innocente I. Oneisom,
Speaker
House of Representatives
Chuuk State Legislature

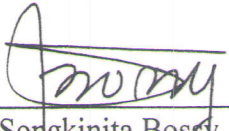
Attested:


Florence P. Stanley, Chief Clerk
House of Representatives
Chuuk State Legislature

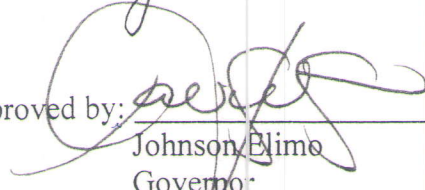
Date: May 07, 2012

Signed by: 
Mark Mallo, President
House of Senate
Chuuk State Legislature

Attested:


Songkinita Bossy, Chief Clerk
House of Senate
Chuuk State Legislature

Date: May 20, 2012

Approved by: 
Johnson Elimo
Governor
Chuuk State Government
Weno, Chuuk State

Date: June 7, 2012

History:

H.B. No.: 11-22; HD1
H.S.C.R. No.: 11-1R-30
S.S.C.R. No.: None