
AN ACT

Creating a tax and agency dealing with environmental control, and for other purposes.

Be it enacted by the Legislature of Truk that:

Section 1. Amendment. Title 29 of the Truk District Code is amended by adding Chapter 9 to read as follows:

"Chapter 9.

Environmental Improvement Tax and Truk Environmental Action

Agency.

Section:

1. Tax
2. Payment of Tax
3. Records
4. Establishing Agency
5. Agency Organization
6. Disposition of Revenue
7. Penalty

Section 1. Tax. A tax of \$.05 per can is hereby imposed on all metal cans containing carbonated beverages and twelve ounce metal cans containing non-carbonated beverages except milk, chocolate and fruit juices. Items taxed under this Section shall be exempt from the tax imposed by Chapter 1, Title 29 of the Truk District Code.

Section 2. Payment of Tax. The tax imposed under this Chapter shall attach at the time of first sale in Truk. All taxes which have attached during a calendar month shall be paid by the seller to the Treasurer on or before the 15th day of the succeeding month. The Treasurer may make allowance for late payments for good cause.

Section 3. Records. All persons who sell beverages in metal cans shall keep accurate records of all sales and all taxes collected which are included in this Chapter. These records shall be made available to the Tax Collector or Treasurer upon request.

Section 4. Establishing Agency. The Truk Environmental Action Agency is hereby created. This agency shall be responsible for:

- (1) operating a convenient refund program for the return of metal beverage cans taxed under Section 1 of this Chapter by consumers provided the amount of refund shall not be less than \$.02 per can;
- (2) creating an operating environmental program throughout the State of Truk;
- (3) processing and disposal of cans collected;
- (4) conducting necessary business for the purpose of collection of cans;
- (5) coordinating collection and disposal of abandoned and junk motor vehicles and machinery; and
- (6) performing all other duties incidental to the above.

Section 5. Agency Organization. The Truk Environmental Action Agency shall be organized and supervised by the Trust Territory Planning Office for Truk State within ninety days after passage of this bill. Upon organization of Truk Environmental Action Agency, the State Planner shall submit to the Legislature the proposed organization for approval by the Legislature.

Section 6. Disposition of Revenue. All taxes collected under this Chapter shall be divided between funding TEAA and the General Fund of Legislature of Truk State. The Treasurer shall allocate 80% to TEAA for its operation. TEAA shall allocate 50% of the monies received from the General Fund for payment under the refund program to consumers for return of cans.

Section 7. Penalty. All taxes which are not paid in accordance with Section 2 of this Chapter shall be delinquent and subject to a penalty of 50% per month on unpaid taxes. Any payment made on unpaid taxes shall be first applied to the penalty. The determination of delinquency shall be made by the Tax Collector. Upon notice request of hearing by a tax-payer within

ninety days after determination of delinquency, the Tax Collector shall conduct a hearing at which time the taxpayers shall present such evidence showing that the delinquency determination is in error or that mitigating circumstances exist; in either case the Tax Collector shall determine the amount of taxes due, and may determine that no penalty need be paid upon a showing of good cause."

Section 2. Effective Date. This act shall take effect upon approval by the Governor, or upon its becoming law without approval.

Signed by: *Condy Mainit*
for: Tadashi C. Mainit, Speaker
Legislature of the State of Truk

Attested to: *Datasi Albert*
Datasi Albert
Legislative Clerk/Secretary
Legislature of the State of Truk

Date: *4/5/79*

Approved by: *Erhart Aten*
Erhart Aten, Governor
Truk State Government

Date: *April 13, 1979*