

AN ACT

To create an Authority for Social and Economic Development in Hall Islands, to appropriate operating funding therefor, and for other purposes.

Be It Enacted by the Legislature of Truk State.

Section 1. Creation of Authority. There is hereby created the Hall Islands Economic Development Authority, hereafter referred to as the Authority. Its function shall be as a public corporation under the laws of the State of Truk and the Federated States of Micronesia.

Section 2. Purposes of Authority. The Authority shall identify the development needs of its area of service, and shall promote, by its own activity and that of others, economic development in coordination and cooperation with the State and National Government, and private and cooperative enterprises.

Section 3. Powers and Duties of the Authority. The Authority shall have the following powers and duties:

(a) It may generally carry on the activities of identifying needs, setting goals, drafting and implementing plans, developing, improving and assisting in the economic and social developments of the Hall Islands, consisting of the islands of Nomwin, Ruo, Fananu, and Murilo.

(b) The Authority is authorized to apply for, accept, expend or repay the State, or National Government or other sources for all monies made available by grant, donations, or loan to plan or accomplish in whole or in part, any of the purposes of this Act. Unless otherwise prescribed by law, such monies when received shall be deposited in separate denominated accounts.

(c) The Authority is authorized to apply for, accept, expend or repay the State, or National Government or other sources for all monies made available by grant, donations, or loan to plan or accomplish in whole or in part, any of the purposes of this Act. Unless otherwise prescribed by law, such monies when received shall be deposited in separate denominated accounts.

(d) The Authority shall maintain such records, research materials, and other properties, real or personal, deemed to be necessary to enable the Authority to carry out the purposes of this Act. Upon the request of the Authority, employees of the State and National Government may be assigned to carry out activities of the Authority. Unless otherwise specified, the expenses thereof, if any, shall be reimbursed by the Authority;

(e) The Authority may employ agents and employees and contract for the services of specialists or experts, as individuals or organizations, to advise the Authority and its employees;

(f) To employ an Executive Director and a Budget and Finance Officer, and to set the terms of employment and to employ such administrative staff and other employees as may be required by law or deemed by the Board to be needed in furtherance of the goals of the Authority;

(g) To acquire in any lawful manner any property, real, personal, or mixed, tangible or intangible, or any interest therein; to hold, maintain and use the same, and to sell, lease or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary to the Board to carry out its purposes;

(h) To establish, maintain, operate, and engage in, upon its own account, any appropriate enterprise, undertaking, or activities, in furtherance of the purposes of the Authority and to receive payments therefor, such payments to go into the general revenues of the Authority;

(i) To enter into and perform such contracts or other agreements or transactions as may be necessary in the conduct of its business and on such terms as it may deem appropriate;

(j) To borrow money from time to time; PROVIDED HOWEVER, that the debts of the Authority shall not be debts of the State of Truk or any of its political subdivisions; the assets of the State Government or its political subdivisions shall not be used as security for the debts of the Authority, unless otherwise provided by law;

(k) To levy and collect charges, fees, and other payments for goods sold and services rendered by the authority, except that no such levy shall be in the form of a tax or assessment levied against the general public, the users of public facilities, or property benefited by actions of the authority, unless specifically authorized by law;

(l) To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of its powers;

(m) To take such actions and assume such other responsibilities as may be necessary or appropriate to carry out the duties conferred upon it by law; and

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

Section 4. Composition of the Board. All powers vested in the Authority shall be exercised by the Board, which shall consist of thirteen members, called Directors, as follows:

(a) The Magistrates of the four municipalities of the Hall Islands;

(b) The Chairmen of the Councils of the four municipalities of the Hall Islands;

(c) The paramount traditional leaders of the four municipalities of the Hall Islands or their representatives; and

(d) The member of the State Legislature elected from the Hall Islands.

Section 5. Organization of the Board. The Board shall, as soon as practicable after the effective date of this Act, organize by electing one of its members as Chairman and another as Vice-Chairman. The Board shall designate a secretary to keep the minutes of the Board, who may not be a member of the Board. The Board shall decide what constitutes a quorum. The Directors shall be entitled to reimbursement of actual expenses incurred in the performance of their official duties, upon approval by the Board. In addition Directors shall receive compensation at the rate of fifteen dollars a day per Board meeting attended. The Board shall meet not less than once per calendar quarter at a time and place determined by the Chairman, upon notice as shall be provided in the bylaws.

Section 6. No Financial Interest of Members and Employees. No director, officer, or employee of the Authority, either for himself or as agent for anyone else, shall benefit directly or indirectly by reason of any sale, purchase, contract or transaction entered into by the Authority.

Section 7. Suits and Legal Representation.

(1) The Authority may sue and be sued in its own name; provided that any liability incurred by the authority, when not acting as an agent of the State or other government entity, shall not be a liability of the State or other governmental entity.

(2) The State Attorney General of Truk shall represent and assist the authority in legal matters except in cases of conflict of interest.

Section 8. Management.

(1) The Authority, through the Board, may receive, manage, invest, and disburse funds or other property which may be appropriated, grant, or in any other manner received from any source for the purposes of the Authority. The Authority may use governmental accounting procedures or, if appropriate, such financial or accounting systems as may be prescribed by law for commercial companies.

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

Section 9. The Board shall prepare and submit a budget for the Authority for each governmental fiscal year, in the manner provided by law for the preparation and submission of budgets of departments and offices in the State Government of Truk. Over obligation and over expenditure of funds are prohibited, and shall be punishable in the same manner as provided for the State Government of Truk.

Section 10. Executive Director. There shall be an Executive Director of the Authority, who shall be appointed by the Board to serve at its pleasure. The Board shall establish the salary of the Executive Director. The Executive Director shall be responsible for the management of the programs, projects and other activities of the Authority, and shall employ, supervise and terminate the employees of the Authority in accordance with general terms and rules of employment by the Board, except as provided in Section 11 thereof.

Section 11. Budget and Finance Officer. The Executive Director shall appoint, with the concurrence of the Board, a Budget and Finance Officer, for such term as shall be provided in the bylaws. The Budget and Finance Officer shall receive and disburse all funds of the Authority. Before entering into his duties, he shall execute, at the expense of the Authority, a good and sufficient bond in the sum of not less than \$10,000, or such greater sum as any be established by the Board. Said bond shall be made with one or more sufficient sureties authorized to do business in the Federated States of Micronesia; and shall be approved as to form by the Attorney General of the State of Truk. The Budget and Finance Officer shall serve at all times under the direct supervision of the Executive Director.

Section 12. Accounts and Records. The Board and the Executive Director shall be jointly responsible to ensure that the Budget and Finance Officer prepare and complete books of accounts reflecting all income, expenditures, assets, and liabilities of the Authority, including appropriation, grants, and property. The Board, not later than sixty days after the close of each governmental fiscal year, shall submit to the Governor and Speaker of the Legislature a complete report showing the activities of the Authority during the fiscal year, the present condition of the Authority, and such other matters as the Board shall deem appropriate. The State Auditor, or if there be no such officer, a licensed accountant appointed by the Board, shall inspect and audit all accounts of the Authority at least annually, and report thereon to the Governor and Speaker of the Legislature.

Section 13. Taxation of the Authority. To the extent that the legislative capacity of the State of Truk can prescribe, the authority shall be treated as a governmental entity and shall be exempted from taxation in the same manner as a governmental entity with regard to its functions that are governmental in character. With respect to functions that the Authority may undertake that are commercial in character, the Authority shall be treated as a non-profit commercial enterprise.

Section 14. Personnel Administration.

(1) The Authority may establish its own personnel system and policies, independent of the Truk State Public Service System; or may, by appropriate resolution of the Board addressed to the Governor, be included in the Truk State Public Service System for purposes of its personnel administration; PROVIDED that, if the Authority chooses to be included in the State Public Service System, the Board may designate from time to time such positions as it deems appropriate to be exempted from that system.

(2) All employees of the Authority, including the Executive Director and the Budget and Finance Officer, if members of the Truk State Public Service System immediately prior to their employment with the Authority, shall continue to accrue such rights as their seniority entitles them during employment with the Authority.

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

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

Section 15. Notification to Municipal Governments Regarding Projects.

The Authority shall endeavor to inform affected municipal governments of any projects planned for their communities at the earliest practical opportunity and shall continue to inform the municipal governments and members of the public of the nature of the projects and any substantial changes in their plans.

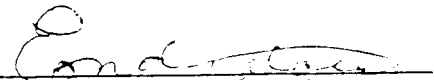
Section 16. Land Acquisition and Relocation Assistance.


(1) Any activity of the Authority which requires the acquisition of a right in private real property shall be governed by the requirements of Chapters 16 and 17 of Title 67 of the Trust Territory Code. The State Government shall be responsible for such property acquisition and relocation assistance.

(2) The Authority shall promptly notify the State Government whenever it requires use or acquisition of private real property of the State or the Public Lands Authority. The notification shall describe with specificity the property to be used or acquired, the reasons for its need, the extent and duration of possession required, alternative possibilities that have been considered and rejected and the reasons therefor, and the date by which such acquisition or use is expected to commence. Any rights in private property acquired for the benefit or use of the Authority shall be held by the State Government, except as otherwise specifically provided by the law.


Section 17. Appropriation. The sum of \$20,000 or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Truk Legislature for the operation and contingency expenses of the Authority. The sum appropriated by this Act shall be allotted by the Treasurer to the Board who shall be responsible for ensuring that these funds are used only for the purpose specified in this Act, and that no obligations are incurred in excess of the sum appropriated. The appropriation shall remain available to the Authority until expended. The Board shall submit a detailed report to the Truk State Legislature at the end of each fiscal year, which shall provide for the full accounting of the obligations incurred against the sum appropriated

Section 18. Effective Date. This Act shall take effect upon approval by the Governor, or upon its becoming law without such approval.

Signed by: 
Tadashi C. Wainit, Speaker
Truk Legislature

Attested to: 
Datasi Albert
Legislative Clerk/Secretary
Truk Legislature

Date: October 20, 1981

Approved by: 
Erhart Aten, Governor
Truk State Government

Date: October 27, 1981