



GOVERNMENT OF KOSRAE

Office of the Governor

Post Office Box 158

Kosrae, Federated States of Micronesia 96944

Telephone: 691-370-3002/3003..Facsimile: 691-370-3162

June 27, 2016

The Honorable Tulensa W. Palik
Speaker
Eleventh Kosrae State Legislature
Tofol, Kosrae FM 96944

Dear Mr. Speaker:

Kulo nusin God ke moul lasr. Paing kom a Honorable Members ke Sroasr Masap kewa.

Wangin pa pusra yok lasr nuka sripa yok lun L.B. 11-70. Oinge nga fulela lusen len 30 la in eis comments nuka, panang oru el putatyang nuke pusren masap su orala Kosrae State Law No. 11-71.

“TO AMEND STATE LAW NOS. 8-46, 8-234, 8-17, 9-15, 9-63, 9-81, 9-140, 10-109, 10-113 AND 10-143, BY FURTHER AMENDING TITLE 10 OF THE KOSRAE STATE CODE AT SECTION 10.205(1) THEROF, TO CREATE A REVOLVING FUND OF THE TOBACCO COALITION FROM FUNDS COLLECTED FROM FEES AND FINES FROM TOBACCO RELATED OFFENSES IN THE STATE OF KOSRAE; AND FOR OTHER PURPOSES.”

Certified copy ke masap se inge pa attached nuke letter luk.

Kulo ma lulap.

Lyndon H. Jackson
Governor, State of Kosrae

Recd 6/28/2016
@ 11:30 a.m.
KSL / ktm



ELEVENTH KOSRAE STATE LEGISLATURE

P.O BOX 187

Tofol, Kosrae State

Federated States of Micronesia 96944

Telephone: (691) 370-3019/3177

Web Page: www.kosraelegislature.org

Tulensa W. Palik
SPEAKER

May 27, 2016

Robert I. Taulung
VICE SPEAKER

Jarinson M. Charley
FLOOR LEADER

LELU:
Albert T. Welly
Gilton A. Esahu
Reedson P. Abraham
Salpasr E. Tifas

TAFUNSAK:
Alokoa Jb. Sigrah
Maker L. Palsis
Robert I. Taulung
Rolner L. Joe

MALEM:
Jarinson M. Charley
Morgan S. Jonas
Sasaki L. George

UTWE:
Josaiiah F. Waguk
Rinson H. Edmond

The Honorable Lyndon H. Jackson
Governor
State of Kosrae
Federated States of Micronesia 96944



Dear Governor Jackson,

I have the honor to transmit herewith for your consideration and action on **L.B. No. 11-70, TO AMEND STATE LAW NOS. 8-46, 8-234, 8-17, 9-15, 9-63, 9-81, 9-140, 10-109, 10-113 AND 10-143, BY FURTHER AMENDING TITLE 10 OF THE KOSRAE STATE CODE AT SECTION 10.205(1) THEREOF, TO CREATE A REVOLVING FUND OF THE TOBACCO COALITION FROM FUNDS COLLECTED FROM FEES AND FINES FROM TOBACCO RELATED OFFENSES IN THE STATE OF KOSRAE; AND FOR OTHER PURPOSES;** which passed the Legislature, Seventh Special Session, by two-thirds of the members of the Legislature, a quorum is present.

Respectfully yours,

Andy J. Andrew
Deputy Chief Clerk
Kosrae State Legislature

Enclosures:

**ELEVENTH KOSRAE STATE LEGISLATURE
SEVENTH SPECIAL SESSION
MAY 09, 2016**

TO AMEND STATE LAW NOS. 8-46, 8-234, 8-17, 9-15, 9-63, 9-81, 9-140, 10-109, 10-113 AND 10-143, BY FURTHER AMENDING TITLE 10 OF THE KOSRAE STATE CODE AT SECTION 10.205(1) THEREOF, TO CREATE A REVOLVING FUND OF THE TOBACCO COALITION FROM FUNDS COLLECTED FROM FEES AND FINES FROM TOBACCO RELATED OFFENSES IN THE STATE OF KOSRAE; AND FOR OTHER PURPOSES.

INTRODUCED BY: Senator

Alokoa Jb. Sigrah

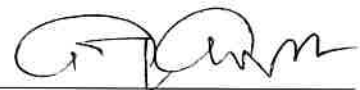
DATE: October 13, 2015

ACTION BY THE LEGISLATURE

PASSED FIRST READING: May 18, 2016

REFERRED TO: SCR No. 11-189

PASSED SECOND READING: May 23, 2016



Andy J. Andrew
Deputy Chief Clerk
Kosrae State Legislature



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Josaiah F. Waguk
Rinson H. Edmond

LEGISLATIVE BILL No. 11-70

We hereby certify that the foregoing Bill has passed Second and Final Readings in the Legislature, Seventh Special Session, 2016, by two-thirds of the members of the Eleventh Kosrae State Legislature, a quorum is present.

A handwritten signature in black ink, appearing to read "Tulensa W. Palik".

Tulensa W. Palik
Speaker
Eleventh Kosrae State Legislature

A handwritten signature in black ink, appearing to read "Andy J. Andrew".

Andy J. Andrew
Deputy Chief Clerk
Kosrae State Legislature

A BILL FOR AN ACT

To amend State Law Nos. 8-46, 8-234, 8-17, 9-15, 9-63, 9-81, 9-140, 10-109, 10-113 and 10-143, by further amending Title 10 of the Kosrae State Code at Section 10.205(1) thereof, to create a revolving fund for the Tobacco Coalition from funds collected from fees and fines from tobacco related offenses in the State of Kosrae; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1 Section 1. Purpose. The purpose of this act is to amend State Law Nos. 8-46,
2 8-234, 8-17, 9-15, 9-63, 9-81, 9-140, 10-109, 10-113 and 10-143, to further amend Title
3 10 of the Kosrae State Code at Section 10.205(1) to create a Tobacco Coalition Fund in
4 the State of Kosrae.

5 Section 2. Amendment. Section 10.205(1) of Title 10 of the Kosrae State Code is
6 hereby amended to read as follows:

7 “Section 10.205. The Revenue Fund.

8 (1) The Revenue Fund contains all monies received by the
9 Government pursuant to a law imposing a tax, duty or tariff,
10 and all other revenues and reimbursements from a fine, fee,
11 license, interest, rent, or Government service, and other
12 Government collection or collections by a government for the
13 Government’s benefit except as otherwise required by law. A
14 person who receives monies pursuant to this section transmits
15 the monies within seven days of receipt to the Division of Finance
16 and Budget for deposit in the Revenue Fund except that:

17 (a) The Department of Resources and Economic Affairs shall

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maintain a revolving fund known as the Production Development Fund,

(i) The Fund shall be used:

(1) to make low interest loans to individuals to assist with the production of goods for export or sale or consumption in Kosrae; or

(2) to make bulk purchase of agriculture supplies for re-sale to farmers at a price no greater than 10% of the net purchase price; or

(3) to purchase fishing supplies for re-sale on Kosrae; or

(4) to assist with the marketing of Kosraean agriculture produce.

(ii) The Fund shall receive monies from these sources:

(1) the sale of supplies and equipment for gardening, livestock and poultry production, and from the marketing of all agriculture produce; and

(2) the sale of agriculture supplies; and

(3) the sale of fishing supplies;

(4) the re-payment of principal or interest of loans.

(iii) The production Development Fund shall be administered by Director of the Department of Resources and Economic

1 Affairs but all funds shall be received, held, disbursed and
2 accounted for by the Director of the Department of
3 Administration and Finance or his designee.

4 (1) The Director of the Department of Administration
5 and Finance shall prepare a monthly report detailing
6 all loans made and listing any other transaction;

7 (2) A copy of this report shall be transmitted to the
8 Director of Resources and Economic Affairs and to
9 the Speaker of the Kosrae State Legislature within 5
10 business days of the end of each month.

11 (b) the Sports Council may retain funds collected pursuant to
12 Section 7.902(3), funds obtained through contributions and
13 donations, and any interest thereon for funding operations,
14 acquisition of equipment and the purchase of prizes;

15 (c) The Division of Finance and Budget retains in a
16 Recycling Fund all monies collected pursuant to Title 9,
17 Chapter 22, and follows the Recycling Program Regulations for the
18 disbursement of Recycling Fund monies for the refund of
19 Recycling Deposit fees, and the maintenance of a recycling
20 program;

20 (d) The Kosrae Visitors' Bureau may retain monies received

1 from the sale of books, postcards, handicrafts, and other
2 tourist material for the purpose of acquiring additional inventory
3 of such classes of items; and

4 (e) The Division of Finance and Budget retain in a Publication
5 Fund the proceeds received from the sale of copies of the Kosrae
6 State Code and the Selected Laws of the State of Kosrae, which
7 proceeds are available for use by the Code Revision and
8 Publication Commission to defray the costs of preparation and
9 publication of the Selected Laws of the State of Kosrae;

10 (f) The Division of Finance and Budget retains in a Health Care
11 Fund all monies collected from or on behalf of patients or clients
12 or the Kosrae Department of the Health Services, including, but
13 not limited to, reimbursements from any program of medical
14 insurance and payments received by the State in connection with
15 off-island referrals. Monies in the Health Care Fund are
16 continually appropriated for expenditure by the Department of
17 Health Services primarily for the purchase of medical supplies and
18 pharmaceutical supplies for its clinics, dispensaries, programs and
19 patients. The fund may also be used to support the off-island
20 medical referral services of the State and to advance payment of
21 employees' salaries and benefits, provided in the latter situation,

1 when those salaries and benefits have been authorized for
2 reimbursement by the FSM National Government or Kosrae State
3 Government or the relevant government or its department, agency,
4 or entity; provided, however, that the funds received as
5 reimbursement shall also be deposited in the Health Care Fund.

6 (g) The Division of Finance and Budget retains in a State
7 Scholarship Grant and Loan Fund, all monies received from
8 Kosrae State Government appropriations for scholarship
9 purposes and from loan collection from students loans. Monies in
10 the Scholarship Fund must be made available solely for Kosrae
11 State Scholarship Board and continually loaned out to qualified
12 recipients.

13 (h) The Division of Finance and Budget retains in a Broadcast
14 Authority Fund all monies from payments received from
15 advertisements and other broadcasting programs requiring
16 payments to the State Broadcast Authority. Monies in the
17 Broadcast Authority Fund are available solely for the purpose of
18 funding operations of the State Broadcast Authority;

19 (i) The Department of Education retains in a Yearbook
20 Revolving Fund all monies contributed, received and collected
21 from yearbook sales by depositing that revenue into the fund using

1 it strictly for the Kosrae High School yearbook.

2 (j) The Division of Finance and Budget retains in a Department of
3 Transportation and Infrastructure Fund all monies collected from
4 contract and grant projects, for the purpose of purchasing fuel and
5 materials necessary to mobilize and accomplish contracted work
6 including, but not limited to, reimbursement received by the State
7 in connection with contract and grant projects. Any monies
8 received that is in excess of the cost of fuel and materials shall, at
9 the conclusion of the specific contract, be transmitted to the
10 General Revenue Fund. This account may also receive funds from
11 the sale or auction of equipment. Any such funds may be used
12 solely for the repair and replacement of Department equipment
13 and the purchase of fuel necessary for Department work projects;
14 and each department, office, and agency retaining monies
15 pursuant to subsection (a) through (k) provides a written monthly
16 report to the Governor and the Speaker on the status of the monies,
17 including amounts received and expended, upon determining
18 that a department, office, or agency has money in excess of the
19 amount necessary for the purpose for which it is allowed to retain
20 the funds, the Governor directs that said excess be turned over to
21 the State Treasury.


1 (k) The Court may retain monies received as payment for
2 published decisions, opinions, rules, or probation fees or other
3 documents issued by the Court.

4 (l) Monies received as probation fees may only be used to fund
5 client services and programs that are under the supervision of the
6 Probation Officer.

7 (m) The Division of Finance and Budget retains in a Tobacco
8 Coalition Fund all monies collected from payments received
9 for fees and fines from tobacco related penalties. Monies in the
10 Tobacco Coalition Funds are available solely for the purpose of
11 funding operations of the Tobacco Coalition Taskforce.”

12 Section 3. Effective Date. This act takes effect upon the approval of the
13 Governor or upon its become law without such approval.

14
15 PASSED BY THE ELEVENTH KOSRAE STATE LEGISLATURE ON THE 23RD
16 DAY OF MAY 2016.

17 
18 Tulensa W. Palik

19 Speaker, Eleventh Kosrae State Legislature

ELEVENTH KOSRAE STATE LEGISLATURE

THIRD SPECIAL SESSION, OCTOBER 2015

L.B. No. 11-70

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Attested by:



Deputy Chief Clerk

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Lyndon H. Jackson

Governor, State of Kosrae

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Date: _____

