



## 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

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March 11, 2019

The Honorable Tulensa W. Palik  
Speaker  
12<sup>th</sup> Kosrae State Legislature  
Tofol, Kosrae FM 96944

Dear Mr. Speaker:

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

Nga engan in sulkakin nu sum la nga insese a sain L.B. No. 12-03, nuke pusren masap su orala State Law No. 12-01, su title ka an fwak oinge:

**"To further amend Title 10, Section 10.205 of the Kosrae State Code, as amended by S.L. No. 11-10, S.L. No. 11-71, S.L. No. 11-104, S.L. No. 11-117, S.L. No. 11-146, and S.L. No. 11-157, to correct the Alphabetization of the subsections; and for other purposes."**

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

Kulo ma lulap.

Carson K. Sigrah  
Governor, State of Kosrae

Rec'd 03/11/2019  
C.I. 00p.m.  
Lec / kka



TWELFTH KOSRAE STATE LEGISLATURE  
P.O. BOX 187  
TOFOL, KOSRAE STATE  
FEDERATED STATES OF MICRONESIA 96944  
TELEPHONE: (691) 370-3019/3177

**Fulensa W. Palik**  
SPEAKER

March 7<sup>th</sup>, 2019

**Rolner L. Joe**  
VICE SPEAKER

**Jarinson M. Charley**  
FLOOR LEADER

The Honorable Carson K. Sigrah  
Governor  
State of Kosrae  
Kosrae, FSM 96944

**LELU:**  
Bob H. Skilling  
Hilton C. Phillip  
Rinchart B. William  
Salpasr E. Tilfas  
Fulensa W. Palik

Dear Governor Sigrah,

**TAFUNSAK:**  
Alokoa Jb. Sigrah  
Harry H. Jackson  
Vena C. Ned  
Rolner L. Joe

I have the honor to transmit herewith for your consideration and action **L.B. No. 12-03, TO FURTHER AMEND TITLE 10, SECTION 10.205 OF THE KOSRAE STATE CODE, AS AMENDED BY S.L. NO. 11-10, S.L. NO. 11-71, S.L. NO. 11-104, S.L. NO. 11-117, S.L. NO. 11-146, AND S.L. NO. 11-157, TO CORRECT THE ALPHABETIZATION OF THE SUBSECTIONS; AND FOR OTHER PURPOSES.**; which passed the Legislature, First Regular Session, by two-thirds of the members of the Legislature, a quorum being present.

**MALEM:**  
Charlton M. Timothy  
Jarinson M. Charley  
Sasaki L. George

Respectfully yours,

**UTWE:**  
Andy J. Andrew  
Yamado A. Melander

Martha B. Talley  
Chief Clerk  
Twelfth Kosrae State Legislature

Enclosures



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TELEPHONE: (691) 370-3019/3177**

**Tulensa W. Palik  
SPEAKER**

LEGISLATIVE BILL NO. 12-03

**Rolner L. Joe  
VICE SPEAKER**

**Jarinson M. Charley  
FLOOR LEADER**

**LELU:**  
Bob H. Skilling  
Hilton C. Phillip  
Rinehart B. William  
Salpasr E. Tilfas  
Tulensa W. Palik

**TAFUNSAK:**  
Alokoa Jb. Sigrah  
Harry H. Jackson  
Nena C. Ned  
Rolner L. Joe

**MALEM:**  
Charlton M. Timothy  
Jarinson M. Charley  
Sasaki L. George

**UTWE:**  
Andy J. Andrew  
Yamado A. Melander

We hereby certify that the foregoing Bill has passed Second and Final Readings in the Legislature, First Regular Session, 2019, by two thirds of the members of the Twelfth Kosrae State Legislature, a quorum being present.

Tulensa W. Palik  
Speaker  
12<sup>th</sup> Kosrae State Legislature

Martha B. Talley  
Chief Clerk  
12<sup>th</sup> Kosrae State Legislature

LEGISLATIVE BILL NO. 12-03

TWELFTH KOSRAE STATE LEGISLATURE  
FIRST REGULAR SESSION  
KOSRAE, FM 96944

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A BILL FOR AN ACT

TO FURTHER AMEND TITLE 10, SECTION 10.205 OF THE KOSRAE STATE CODE, AS AMENDED BY S.L. NO. 11-10, S.L. NO. 11-71, S.L. NO. 11-104, S.L. NO. 11-117, S.L. NO. 11-146, AND S.L. NO. 11-157, TO CORRECT THE ALPHABETIZATION OF THE SUBSECTIONS; AND FOR OTHER PURPOSES.

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INTRODUCED BY:

Senator Rolner L. Joe

DATE: February 11, 2019

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ACTION BY THE LEGISLATURE

PASSED FIRST READING: February 28, 2019

REFERRING TO: S.C.R. No. 12-03

PASSED SECOND READING: March 4, 2019

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Martha B. Talley  
Chief Clerk  
12<sup>th</sup> Kosrae State Legislature

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A BILL FOR AN ACT

To further amend Title 10, Section 10.205 of the Kosrae State Code, as amended by S.L. No. 11-10, S.L. No. 11-71, S.L. No. 11-104, S.L. No. 11-117, S.L. No. 11-146, and S.L. No. 11-157, to correct the alphabetization of the subsections; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1           Section 1. Purpose. The purpose of this act is to correct the alphabetization of the  
2 subsections of Section 10.205.

3           Section 2. Amendment. Title 10, Section 10.205 of the Kosrae State Code is  
4 hereby amended to read as follows:

5           “Section 10.205. The Revenue Fund.

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

13           (a)    The Department of Resources and Economic Affairs shall maintain a  
14 revolving fund known as the Production Development Fund.

15           (i) The Fund shall be used:

- 1                   (1) to make low interest loans to individuals to assist with the
- 2                   production of goods for export or sale or consumption in
- 3                   Kosrae; or
- 4                   (2) to make bulk purchase of agriculture supplies for re-sale to
- 5                   farmers at a price no greater than 10% of the net purchase
- 6                   price; or
- 7                   (3) to purchase fishing supplies for re-sale in Kosrae; or
- 8                   (4) to assist with the marketing of Kosraean agriculture
- 9                   produce.
- 10                  (ii) The Fund shall receive monies from these sources:
  - 11                   (1) the sale of supplies and equipment for gardening, livestock
  - 12                   and poultry production, and from the marketing of all
  - 13                   agriculture produce; and
  - 14                   (2) the sale of agriculture supplies; and
  - 15                   (3) the sale of fishing supplies; and
  - 16                   (4) the re-payment of principal or interest of loans.
- 17                  (iii) The Production Development Fund shall be administered by
- 18                  Director of the Departement of Resources and Economic Affairs but

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

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

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

11 (b) the Sports Council may retain funds collected pursuant to Section  
12 7.1002(3), funds obtained through contributions and donations, and any  
13 interest thereon for funding operations, acquisition of equipment and the  
14 purchase of prizes.

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

TWELFTH KOSRAE STATE LEGISLATURE

FIRST REGULAR SESSION, FEBRUARY 2019

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- 1           (d)     The Kosrae's Visitor's Bureau may retain monies received from the sale of  
2                     books, postcards, handicrafts, and other tourist material for the purpose of  
3                     acquiring additional inventory of such classes of items;
- 4           (e)     The Division of Finance and Budget retains in a Publication Fund the  
5                     proceeds received from the sale of copies of the Kosrae State Code and the  
6                     Selected Laws of the State of Kosrae, which proceeds are available for use  
7                     by the Code Revision and Publication Commission to defray the costs of  
8                     preparation and publication of the Selected Laws of the State of Kosrae;
- 9           (f)     The Division of Finance and Budget retains in a Health Care Fund all  
10                    monies collected from or on behalf of patients or clients or the Kosrae  
11                    Department of the Health Services, including, but not limited to,  
12                    reimbursements from any program of medical insurance and payments  
13                    received by the State in connection with off-island referrals. Monies in the  
14                    Health Care Fund are continually appropriated for expenditures by the  
15                    Department of Helath Services primarily for the purchase of medical  
16                    supplies, and pharmaceutical supplies, for its clinics, dispensaries,  
17                    programs, and patiens. The fund may also be used to support off-island  
18                    medical referral services fo the State and to advance payment of  
19                    employees' salaries and benefits, provided in the latter situation, when  
20                    those salaries and benefits have been authorized for reimbursement by the



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1           FSM National Government or Kosrae State Government or the relevant  
2           government or its department, agency, or entity; provided, however, that the  
3           funds received as reimbursement shall also be deposited in the Health Care  
4           Fund.

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

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

16          (i)    The Department of Education retains in a Yearbook Revolving Fund all  
17          monies contributed, received and collected from yearbook sales by  
18          depositing that revenue into the fund using it strictly for the Kosrase High  
19          School yearbook;

20          Each department, office, and agency retaining monies purusant to subsections (a)

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1 through (i) provides a written monthly report to the Governor and the Speaker on  
2 the status of the monies, including amounts received and expended; upon  
3 determining that a department, office, or agency has money in excess of the  
4 amount necessary for the purpose for which it is allowed to retain the  
5 funds, the Governor directs that said excess be turned over to the State  
6 Treasury.

7 (j) The Court may retain monies received as payment for published decisions,  
8 opinions, rules, or probation fees or other documents issued by the Court.  
9 Monies received as probation fees may only be used to fund client services  
10 and programs that are under the supervision of the Probation Officer.

11 (k) The Department of Administration and Finance shall maintain a Land  
12 Administration Revolving Fund.

13 (i) The fund shall be used solely for the salary of the personnel of  
14 Division of Land, Survey and Mapping;

15 (ii) The fund shall receive monies, fees and charges from the following  
16 sources and services:

17 1. Homestead Lease; and

18 2. FSM National Government Land Lease.

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1           (iii) Deposit. All future appropriations for the funds as well as the  
2                        payments received pursuant to subsection (ii) and any other  
3                        payments received to defray cost of salary for the personnel under  
4                        the Division of Survey and Mapping and Division of Land  
5                        Management under the Department of Resources and Economic  
6                        Affairs. The total aggregate amount of this Fund shall be  
7                        \$80,000.00. Any unexpended monies in this Fund shall <sup>(revert)</sup> ~~revert~~ back  
8                        to the General Fund.

9           (iv) The Department of Resources and Economic Affairs shall establish  
10                      by regulation the fees and charges for land registration, mapping,  
11                      surveying and other land management services;

12           (v) The Fund shall be under the control, custody, management and  
13                      administration of the Director of the Department of Administration  
14                      and Finance. The Director shall prepare a monthly report detailing  
15                      the use and expenditures of this fund. A copy of the report shall be  
16                      transmitted to the Governor and the Speaker of the Kosrae State  
17                      Legislature within five (5) business days at the end of each month  
18                      or as needed.

19           (1) The Division of Finance and Budget retains in a Tobacco Coalition Fund  
20                      all monies collected from payments received for fees and fines from tobacco

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1 solely for the purpose of funding operations of the Tobacco Coalition  
2 Taskforce, including any funds collected prior to establishment of this  
3 fund, and also provided that, 5 percent of payments received from fees and  
4 fines collected be given to the municipality where such violation occur.

5 (m) The Division of Finance and Budget retains in a Protected Areas Fund:

6 (i) all monies awarded directly into the fund or awarded to KIRMA  
7 and/or other non-government organizations, for the purpose of  
8 protected areas, shall be used for the purpose of conserving and  
9 managing protected areas in the Kosrae State Protected Areas  
10 System and/or proposed areas to be included in the System.

11 (ii) In order to ensure long-term sustainable financing into the Fund,  
12 monies donated, contributed, and financed thru external sources of  
13 fund assistance, including national, regional, international bilateral  
14 and multilateral environmental support programs, for the purposes  
15 of protected areas, shall be dedicated into the fund in the same  
16 manner as monies appropriated through the state and the national  
17 government.

18 (iii) Monies deposited into the Fund may be used for:

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- 1 (1) Developing and implementing management plans for  
2 protected areas in the Protected Areas System.
- 3 (2) Developing institutional capacities of existing and new  
4 community-declared protected areas to qualify for inclusion  
5 in the Protected Areas System; and
- 6 (3) Implementing community-based project activities support  
7 the Kosrae State Protected Areas System including projects  
8 involving the management and protection of identified areas  
9 of biodiversity significance (ABS) in the State of Kosrae.
- 10 (iv) The Administrator of KIRMA shall:
- 11 (1) work with the Protected Areas Fund Board to administer the  
12 Protected Areas Fund, but all funds shall be received, held,  
13 disbursed and accounted for by the Director of the  
14 Department of Administration and Finance of his designee.
- 15 (2) work with the Protected Areas Fund Board to determine on  
16 an annual basis prior to end of fiscal year how much, if any,  
17 funds will be made available for disbursement.

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1                           (3)     issue the request to the Director of the Department of  
2   Administration and Finance to disburse monies for selected  
3   projects.

4                   (v)     The Director of the Department of Administration and Finance shall  
5   prepare a quarterly report detailing all monies received and  
6   expended out of fund. A copy of the report shall be transmitted to  
7   the Administrator and to the Speaker of the Kosrae State  
8   Legislature within (5) business days of the end of each quarter.

9                   (vi)    KIRMA shall work with the Attorney General's Office to establish  
10    regulations prescribing procedures for review of proposals,  
11    disbursement of funds from the special revenue fund, and criteria by  
12    which proposals should be considered. KIRMA and the Attorney  
13    General's Office shall also establish regulations specifying roles  
14    and compositions of the Protected Areas Fund Board. The  
15    regulation shall be consistent with Title 10 of the Kosrae State Code  
16    and Financial Management Regulations.”

17                   ...

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TWELFTH KOSRAE STATE LEGISLATURE

FIRST REGULAR SESSION, FEBRUARY 2019

L.B. No. 12-03

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1           Section 3. Effective Date. This act takes effect upon the approval of the Governor  
2 or upon its becoming law without such approval.

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4 PASSED BY THE TWELFTH KOSRAE STATE LEGISLATURE ON THE 4<sup>TH</sup> DAY  
5 OF MARCH, 2019

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7 Tulensa W. Palik  
8 Speaker, Twelfth Kosrae State Legislature

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9 Attested by:   
10 Chief Clerk

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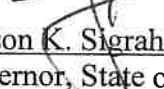
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Governor, State of Kosrae

Date: 3/11/19