March 11, 2019

The Honorable Tulensa W. Palik
Speaker
12th 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 fwał 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
March 4th, 2019

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

Dear Governor Sigrah,

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.

Respectfully yours,

[Signature]

Martha B. Talley
Chief Clerk
Twelfth Kosrae State Legislature

Enclosures
LEGISLATIVE BILL NO. 12-03

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.

[Signature]

Tulensa W. Palik
Speaker
12th Kosrae State Legislature

[Signature]

Martha B. Talley
Chief Clerk
12th Kosrae State Legislature
A BILL FOR AN ACT


INTRODUCED BY: Senator Rolner L. Joe

DATE: February 11, 2019

ACTION BY THE LEGISLATURE
PASSED FIRST READING: February 28, 2019
REFERRING TO: S.C.R. No. 12-03
PASSED SECOND READING: March 4, 2019

Martha B. Talley
Chief Clerk
12th Kosrae State Legislature
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

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

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

"Section 10.205. The Revenue Fund.

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

(a) The Department of Resources and Economic Affairs shall 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 in 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; and

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

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

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

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

(c) The Division of Finance and Budget retains in a Recycling Fund all monies
collected pursuant to Title 9, Chapter 22, and follows the Recycling
Program Regulations for the disbursement of Recycling Fund monies for
the refund of Recycling Deposit fees, and the maintenance of a recycling
program;
(d) The Kosrae’s Visitor’s Bureau may retain monies received from the sale of books, postcards, handicrafts, and other tourist material for the purpose of acquiring additional inventory of such classes of items;

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

(f) The Division of Finance and Budget retains in a Health Care Fund all monies collected from or on behalf of patients or clients or the Kosrae Department of the Health Services, including, but not limited to, reimbursements from any program of medical insurance and payments received by the State in connection with off-island referrals. Monies in the Health Care Fund are continually appropriated for expenditures by the Department of Health Services primarily for the purchase of medical supplies, and pharmaceutical supplies, for its clinics, dispensaries, programs, and patients. The fund may also be used to support off-island medical referral services for the State and to advance payment of employees’ salaries and benefits, provided in the latter situation, when those salaries and benefits have been authorized for reimbursement by the
FSM National Government or Kosrae State Government or the relevant
government or its department, agency, or entity; provided, however, that the
funds received as reimbursement shall also be deposited in the Health Care
Fund.

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

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

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

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

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

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

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

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

1. Homestead Lease; and

2. FSM National Government Land Lease.
(iii) Deposit. All future appropriations for the funds as well as the payments received pursuant to subsection (ii) and any other payments received to defray cost of salary for the personnel under the Division of Survey and Mapping and Division of Land Management under the Department of Resources and Economic Affairs. The total aggregate amount of this Fund shall be $80,000.00. Any unexpended monies in this Fund shall revert back to the General Fund.

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

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

(l) The Division of Finance and Budget retains in a Tobacco Coalition Fund all monies collected from payments received for fees and fines from tobacco
solely for the purpose of funding operations of the Tobacco Coalition

Taskforce, including any funds collected prior to establishment of this

fund, and also provided that, 5 percent of payments received from fees and

fines collected be given to the municipality where such violation occur.

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

(i) all monies awarded directly into the fund or awarded to KIRMA

and/or other non-government organizations, for the purpose of

protected areas, shall be used for the purpose of conserving and

managing protected areas in the Kosrae State Protected Areas

System and/or proposed areas to be included in the System.

(ii) In order to ensure long-term sustainable financing into the Fund,

monies donated, contributed, and financed thru external sources of

fund assistance, including national, regional, international bilateral

and multilateral environmental support programs, for the purposes

of protected areas, shall be dedicated into the fund in the same

manner as monies appropriated through the state and the national

government.

(iii) Monies deposited into the Fund may be used for:
(1) Developing and implementing management plans for protected areas in the Protected Areas System.

(2) Developing institutional capacities of existing and new community-declared protected areas to qualify for inclusion in the Protected Areas System; and

(3) Implementing community-based project activities support the Kosrae State Protected Areas System including projects involving the management and protection of identified areas of biodiversity significance (ABS) in the State of Kosrae.

(iv) The Administrator of KIRMA shall:

(1) work with the Protected Areas Fund Board to administer the Protected Areas Fund, but all funds shall be received, held, disbursed and accounted for by the Director of the Department of Administration and Finance of his designee.

(2) work with the Protected Areas Fund Board to determine on an annual basis prior to end of fiscal year how much, if any, funds will be made available for disbursement.
(3) issue the request to the Director of the Department of Administration and Finance to disburse monies for selected projects.

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

(vi) KIRMA shall work with the Attorney General’s Office to establish regulations prescribing procedures for review of proposals, disbursement of funds from the special revenue fund, and criteria by which proposals should be considered. KIRMA and the Attorney General’s Office shall also establish regulations specifying roles and compositions of the Protected Areas Fund Board. The regulation shall be consistent with Title 10 of the Kosrae State Code and Financial Management Regulations.”
Section 3. **Effective Date.** This act takes effect upon the approval of the Governor or upon its becoming law without such approval.

PASSED BY THE TWELFTH KOSRAE STATE LEGISLATURE ON THE 4TH DAY OF MARCH, 2019

Tulensa W. Palik  
Speaker, Twelfth Kosrae State Legislature

Attested by:  
Chief Clerk

Carson K. Sigrah  
Governor, State of Kosrae  
Date: 3/11/19