

AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding a new section 345 for the purpose of authorizing an exceptional redesignation of certain Compact inflation adjustment funds from capital to current during the fiscal year, establishing the requirement that at least 40% of Compact inflation adjustment funds must be designated to capital in each year, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 345 to read as follows:

"Section 345. Exceptional Redesignation of Funds.

Notwithstanding sections 306 and 335 of this chapter, the State of Pohnpei shall be permitted to redesignate to the current account that portion of its fiscal year 1997 Compact block grant section 217 (inflation adjustment) funds previously designated to the capital account; provided, however, that with this one exception, at least 40% of Compact block grant section 217 (inflation adjustment) funds in each fiscal year must have been and continue to be designated to the capital account. The designation of block grant section 217 (inflation adjustment) funds shall follow the formula for the base amount of section 211 block grant funds under subparagraph (b) of paragraph 3 of the Memorandum of Understanding on the Division of Grant Assistance."

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

July 4, 1997

/s/ for Leo A. Falcam
Jacob Nena
President
Federated States of Micronesia