

AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by further amending section 345, as established by Public Law No. 10-5, for the purpose of authorizing a further exceptional redesignation of certain Compact inflation adjustment funds from capital to current during the fiscal year, and for other purposes.

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

Section 1. Section 345 of title 55 of the Code of the Federated States of Micronesia, as established by Public Law No. 10-5, is hereby further amended 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 and 1998 Compact block grant section 217 (inflation adjustment) funds previously designated to the capital account; provided, however, that the redesignation for fiscal year 1998 shall not exceed \$1,200,000; and provided further that with these two exceptions, 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. The State of Pohnpei shall not be permitted to make the redesignation for fiscal year 1998 pursuant to section 345 of title 55 except upon mutual agreement of the four State governments of the Federated States of Micronesia.

Section 3. 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 9 _____, 1998

Jacob Nena
Jacob Nena
President
Federated States of Micronesia