
A BILL FOR AN ACT

To further amend Public Law No. 5-122, as amended by Public Laws Nos. 6-21, 6-109 and 7-106, by further amending section 15, as amended by Public Law No. 7-106, and by amending section 16 for the purpose of changing the amount that may be spent annually on administering the Investment Development Fund, reducing limitations on terms of loans, and for other purposes.

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

Section 1. Section 15 of Public Law No. 5-122, as amended by Public Law No. 7-106, is hereby further amended to read as follows:

"Section 15. Expenses.

(1) Subject to the procedures specified in this section, Investment Development Fund moneys may be used to pay expenses of the Development Bank relating to administration of the Fund, the Board of Advisors, the study and reports required by section 20 of this act, and investment of the Fund, and may also be used to reimburse expenses incurred pursuant to subsection (6) of section 6 of Public Law No. 4-51, as amended by Public Law No. 4-88. Except as otherwise provided in subsection (2) of section 18 of this act, such expenses shall be assessed against the private-sector reserve created by section 17 of this act.

(2) No later than April 1 of the year preceding a given fiscal year, the Development Bank shall submit to the Federated Development Authority for approval a budget request for the upcoming fiscal year and budget projections for each of the two subsequent fiscal years. The budget request shall include estimates as to its costs of administering the Investment Development Fund, with such information and detail as the Federated Development Authority may determine. The budget request shall be reviewed and approved by the Board of Directors of the Development Bank prior to its submission to the Federated Development Authority. In no event shall this budget request exceed \$250.00.

(3) No later than April 1 of the year preceding a given fiscal year, the Board of Advisors shall submit to the Federated Development Authority for approval a budget request for the upcoming fiscal year and budget projections for each of the two subsequent fiscal years. The budget request shall include estimates as to the costs of operations of he

Board of Advisors, with such information and detail as the Federated Development Authority may determine.

(4) No later than April 1 of the year preceding a given fiscal year, the President of the Federated States of Micronesia shall submit to the Federated Development Authority for approval a budget request for the upcoming fiscal year and budget request for the upcoming fiscal year and budget projections for each of the two subsequent fiscal years. The budget request shall include estimates as to the costs of the study and annual reports required by subsection (1) of section 20 of this act, with such information and detail as the Federated Development Authority may determine.

(5) Subject to such overall policies and limitations as may be established by the Federated Development Authority, expenses associated with the investment of Investment Development Fund moneys may be paid out of the Fund by the Development Bank without prior approval.

(6) The Federated Development Authority shall establish such reprogramming and other budgetary policies with respect to the funds referred to in subsections (2), (3), (4), and (5) of this section as it deems appropriate.

(7) Summary information on the budget requests or approved budgets provided for in subsections (2), (3), and (4) of this section shall be included in the annual budget submission required by section 103 of title 55 of the Code of the Federated States of Micronesia."

Section 2. Section 16 of Public Law No. 5-122 is hereby amended to read as follows:

"Section 16. Limitations on terms of loans. All loans made from the Investment Development Fund shall be at such an interest rate and with such a grace period, if any, as the Development Bank applies to

similar loans made from its own funds, subject however to such limitations as the Federated Development Authority may establish by guidelines of general applicability."

Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia for upon its becoming law without such approval.

January 22, 1996

for /s/ Jacob Nena
Bailey Olter
President
Federated States of Micronesia