

THIRD CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH SPECIAL SESSION, 1985

CONGRESSIONAL BILL NO. 3-378, C.D.1,
C.D.2, C.D.3

AN ACT

To establish a natural resources development matching grant to be used by any State of the Federated States of Micronesia on a 1 to 1 ratio for the purpose of developing or promoting the development of the resources within the Federated States of Micronesia; to authorize the appropriation of \$1 million annually for fiscal years 1985 through 1989 for the purpose of funding said natural resources development matching grant; and for other purposes.

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

1 Section 1. Definitions. Unless the context requires otherwise,
2 the following definitions shall apply:

3 (1) "Agriculture" means the science, art, or business of
4 cultivating soil, producing crops, and raising livestock;

5 (2) "Entity" means any State entity created by any State
6 government of the Federated States of Micronesia pursuant to the
7 authority vested in said State by section 601 of title 24 of the Code
8 of the Federated States of Micronesia; and

9 (3) "1 to 1 ratio" means that for every dollar a State appro-
10 priates pursuant to this act, the National Government shall appropriate
11 \$1 as matching funds therefor.

12 Section 2. Establishment. There is hereby established a natural
13 resources development matching grant, which may be cited at the "Devel-
14 opment Matching Grant."

15 Section 3. Purpose. The purpose of the Development Matching Grant
16 is to provide matching funds on a 1 to 1 ratio to any State of the
17 Federated States of Micronesia that appropriates funds for either agri-
18 cultural resources development projects or marine resources development
19 projects, or both, to be administered as follows:

20 (1) For marine resources development projects, and for those
21 States that have already established entities pursuant to 24 F.S.M.C.
22 601, such Development Matching Grant shall be administered by said

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1 entities, but for those States that have not established such entities,
2 the Development Matching Grant shall be administered by an appropriate
3 State agency to be designated by the State law which appropriates the
4 matching funds; and

5 (2) For agricultural resources development projects, the
6 Development Matching Grant shall be administered by an appropriate
7 State agency to be designated by the State law which appropriates
8 the matching funds.

9 Section 4. Powers of the entity or designated agency. The entity
10 or agency designated to administer the Development Matching Grant shall
11 be provided with the power and authority to effectively carry out the
12 purpose of this act, which powers may include, but not be limited to,
13 the following:

14 (1) In the case of agricultural resources development projects,
15 the designated agency shall be provided with the following powers:

16 (a) To provide guidance to the State government in
17 establishing agricultural resources development policy;

18 (b) To make regulations concerning the development and
19 promotion of agriculture within such State and, whenever practicable,
20 to promote agricultural products abroad;

21 (c) To serve as a conduit for public funds, to establish
22 and operate facilities required for the development of agriculture and
23 the marketing of agricultural products, and to sponsor research studies
24 to improve and develop agriculture in said State;

25 (d) To establish and support programs to promote, support,

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1 and guide agriculture and associations relating to agriculture; and

2 (e) To formulate an annual comprehensive agricultural
3 development project plan to be submitted to the Congress of the Feder-
4 ated States of Micronesia for its review and approval as a condition
5 precedent to the receipt of any funds under the Development Matching
6 Grant.

7 (2) In the case of marine resources development projects,
8 the entity or agency designated by State law in compliance with this
9 act shall be provided with the following powers:

10 (a) To provide guidance to the State government in
11 establishing marine resources development policy;

12 (b) To make regulations concerning the exploitation
13 of living or non-living marine resources as permitted by law;

14 (c) To serve as a conduit for public funds, to estab-
15 lish and operate facilities required for commercial fisheries devel-
16 opment, to conduct pilot fishing operations, and to participate in
17 large-scale commercial fishing and related activities which are not
18 suitable for investment by the private sector;

19 (d) To establish and support programs to promote,
20 support, and guide fishing cooperative associations; and

21 (e) To formulate an annual comprehensive marine resources
22 development project plan to be submitted to the Congress of the Federated
23 States of Micronesia for its review and approval as a condition precedent
24 to the receipt of any funds from the Development Matching Grant.

25 Section 5. Terms and conditions. In order to be eligible for the

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1 Development Matching Grant, a State shall meet the following criteria:

2 (1) A State shall submit to the Congress of the Federated
3 States of Micronesia an annual comprehensive development project plan
4 which shall set forth in detail the projects for which the funds shall
5 be used and the amount of funds needed for the project or projects.

6 (2) A State shall submit the report of its activities in the
7 previous year, where applicable, setting forth in detail the projects
8 funded by the Development Matching Grant, the amount of funds used on
9 each project or projects, the amount of funds remaining unexpended, plus
10 a narrative report of the activities during the previous fiscal year.

11 (3) A State shall first appropriate the required State funds
12 to match the congressional appropriation. Such State may appropriate
13 funds for either agricultural resources development projects or for
14 marine resources development projects, or for both.

15 (4) No State may receive any funds from the Development
16 Matching Grant in excess of \$250,000 during one fiscal year. For the
17 purpose of computing the \$250,000 to be appropriated to each State
18 pursuant to this act for fiscal year 1985, any appropriation to any
19 State of the Federated States of Micronesia made pursuant to 24 F.S.M.C.
20 et seq. for fiscal year 1985 shall be included.

21 (5) The funds appropriated pursuant to this act shall not
22 be used to defray the administrative expenses of any of the projects
23 funded by this act.

24 Section 6. Authorization. There is hereby authorized to be
25 appropriated from the General Fund of the Federated States of Micronesia

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1 the sum of \$1 million for each of the fiscal years 1985 through 1989
2 for the purpose of funding the Development Matching Grant.

3 Section 7. Report. The Governor of any State of the Federated
4 States of Micronesia receiving funds from the Development Matching
5 Grant shall submit the annual report of the State's activities to the
6 President of the Federated States of Micronesia and the Speaker of the
7 Congress of the Federated States of Micronesia no later than 30 days
8 after the close of the fiscal year in which the funds were obtained and
9 used. Failure to submit said report shall be sufficient cause to dis-
10 qualify a State from receiving funding from the Development Matching
11 Grant. Such disqualification shall be removed upon the submission to
12 the President and the Speaker of the required report.

13 Section 8. Effective date. This act shall become law upon approval
14 by the President of the Federated States of Micronesia or upon its
15 becoming law without such approval.

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Feb. 27, 1985



Tosiwo Nakayama
President
Federated States of Micronesia