

AN ACT

To further amend Public Law No. 7-39, Yap State public projects, as amended by Public Law No. 7-83, by amending section 3, as amended by Public Law No. 7-83, to allow the Governor of the State of Yap to assign the loan receivable due from Yap Fishing Corporation or use it for collateral and to confine the use of money received into the Yap State Public Projects Fund to major repairs or betterment of the Yap International Airport, and for other purposes.

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

Section 1. Section 3 of Public Law No. 7-39, as amended by Public Law No. 7-83, is hereby further amended to read as follows:

"Section 3. The sum appropriated under subsection (2) of section 2 of this act shall be a grant to the Yap State Public Projects Fund, which is hereby established as a special fund separate from the General Fund of the Federated States of Micronesia and all other funds. Any unexpended moneys in the Yap State Public Projects Fund shall not revert to the General Fund at the end of the fiscal year. The Yap State Public Projects Fund shall continue to exist so long as necessary to carry out the purposes set out herein, as follows:

(1) The purpose of the Yap State Public Projects Fund shall be to make a loan of \$2,000,000 from the Yap State Public Projects Fund to the Yap Fishing Corporation for the purpose of providing long-term financing to the Yap Fishing Corporation and to utilize the proceeds from repayment of the loan to make grants to worthy public projects in Yap State.

(2) Such loan shall not be subject to the provisions of the Financial Management Act of 1979. Such loan shall be made on reasonable terms to be established by the administrator of the Yap State Public Projects Fund;

PROVIDED, however, that repayment of the loan shall begin 1 year after the date of execution of the loan agreement and shall be completed no later than 12 years after the date of execution of the loan agreement, and that no interest shall be paid upon the loan. Repayment proceeds shall be deposited in the Yap State Public Projects Fund.

(3) The administrator of the Yap State Public Projects Fund shall be the Governor of Yap State or his designee, who shall administer the loan to Yap Fishing Corporation and who shall make grants to worthy public projects in Yap State from the balances in the Yap State Public Projects Fund until such time as the loan to Yap Fishing Corporation is fully repaid and the funds in the Yap State Public Projects Fund are fully exhausted. The administrator may assign the right to collect on the loan for valuable consideration or as collateral for a loan to the Fund. Any such consideration or proceeds from such a loan shall be used consistent with the requirements of subsections (4) and (5) of this section.

(4) Yap State public projects to be funded by grants from the Yap State Public Projects Fund shall be selected by the Governor of Yap State or his designee, in consultation with the Yap State Delegation to the Congress of the Federated States of Micronesia, and in conformity with the requirements of subsection (5) of this section. In no case may a grant from the Yap State Public Projects Fund be made to the Yap Fishing Corporation.

(5) The Yap State Public Projects Fund shall be used only for major repairs or betterment of the Yap International Airport.

(6) The Governor of Yap State or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Yap State Public Projects Fund at the close of each fiscal year."

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.

April 29 _____, 1997

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