

A BILL FOR AN ACT

To amend Kosrae State Code Title 5, Title10, Title 11, Title 14 and Title 19, at Section, 1.305, Section 5.201, 5.202, 5.206, 7.506, 7.508, 7.509, 7.1003, 7.1206, 7.1208, 9.403, 9.2101, 10.101, 10.202, 10.205, 10.207, 10.208, 10.213, 10.703, 11.304, 11.401, 11.503, 11.504, 11.505, 11.507, 11.508, 11.509, 11.1101, 11.1102, 11.1401, 11.1402, 11.1501, 11.1503, 13.627, 14.104, 14.204, 14.206, 15.303, 15.501, 17.104, 18.102 and 19.101, to restructure certain principal departments and functions thereof within the Executive Branch, renaming and renumbering; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1 Section 1. Purpose. The purpose of this act is to reorganize certain principal departments of
2 the Executive Branch.

3 Section 2. Amendment. Kosrae State Title 5, Section 5.201 and Section 5.202 are hereby
4 amended to read as follows:

5 “Chapter 2. Organization

6 Section 5.201. Principal departments and components The Executive has the following
7 principal departments which have the components indicated below:

8 (1) The ~~Department of Administration and Finance~~ Office of the Governor

9 (a) The Division of Personnel and Employment Services

10 (b) The Division of Finance and Budget

11 (c) The Division of Planning and Statistics

12 (d) The Division of Construction and Engineering

13 (e) The Division of Compact Management

14 ~~(2) The Department of Commerce and Industry~~

15 ~~———— (a) The Division of Housing~~

16 ~~———— (b) The Division of Industrial Development~~

17 ~~———— (c) The Division of Marketing and Research~~

18 ~~———— (d) The Division of Consumer Services~~

19 ~~———— (e) The Division of Foreign Investment~~

20 ~~(3)~~(2) The Department of Education

21 (a) The Division of Curriculum and Instructional Services

22 (b)The Division of Supplemental Programs

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- 1 (c) The Division of Facilities and Support Services
- 2 d) The Division of Traditional and Cultural Heritage
- 3 ~~(4)~~ (3) The Department of Health Services
- 4 (a) The Division of Curative Services
- 5 (b) The Division of Preventive Services
- 6 (c) The Division of Administrative Services
- 7 ~~(5)~~ (4) The Department of ~~Public Works~~ Transportation and Infrastructure
- 8 (a) The Division of Road Construction and Maintenance
- 9 (b) The Division of Water Service and Wastewater Management
- 10 ~~(6)~~ The Department of Agriculture, Land and Fisheries
- 11 ~~_____ (a) The Division of Livestock Production and Research~~
- 12 ~~_____ (b) The Division of Crop Production and Research~~
- 13 ~~_____ (c) The Division of Land Management and Preservation~~
- 14 ~~_____ (d) The Division of Surveying and Mapping~~
- 15 ~~_____ (e) The Division of Marine Surveillance~~
- 16 ~~_____ (f) The Division of Fisheries Development~~
- 17 (5) The Department of Resources and Development
- 18 _____ (a) The Division of Foreign Investment and Industrial Development
- 19 _____ (b) The Division of Livestock, Crop Production and Research
- 20 _____ (c) The Division of Fisheries Development and Marine Surveillance
- 21 _____ (d) The Division of Housing
- 22 _____ (e) The Division of Consumer Services, Marketing and Research
- 23 _____ (f) The Division of Land Management, Preservation, Surveying and Mapping
- 24 ~~(7)~~(6) The Office of the Attorney General
- 25 (a) The Division of Public Safety
- 26 (b) The Division of Law
- 27 ~~(8)~~ The Office of Community Affairs
- 28 ~~_____ (a) The Division of Culture~~

1 ~~_____ (b) The Division of Youth, Senior Citizens and Women~~

2 ~~_____ (c) The Division of Sports Development and Recreation~~

3 Section 5.202. Powers and duties of principal departments. In addition to other powers and
4 duties provided by law a director of a principal department is responsible to the Governor for the
5 exercise of the departmental powers and duties indicated below by subsection. The Governor may
6 delegate additional Executive powers and duties to a director as the Governor deems necessary.

7 (1) ~~The Department of Administration and Finance~~ Office of the Governor

8 (a) provides budgetary and grant application advice to the Executive and to
9 other components of Government when directed by the Governor.

10 (b) prepares the annual budget and supplementary requests for appropriations;

11 (c) coordinates economic planning, including the Government's adherence to
12 the overall Economic Development Plan;

13 (d) maintains State statistics, and is the central repository of Government
14 records of birth, deaths, marriages and other Government records required in the preparation of
15 statistics;

16 (e) collects revenues and reimbursements;

17 (f) operates the Government's financial management system;

18 (g) administers the Public Service System in accordance with Title 18 of the
19 Kosrae State Code;

20 (h) monitors employment conditions in the private sector;

21 (i) develops, designs for, calculates cost effectiveness of, and conducts
22 inspections of public projects; ~~and~~

23 (j) provides public notice of Executive policies;

24 (k) monitors compact requirements of the State; and

25 (l) provides JEMCO, OIA and OCM reports to the state departments and
26 offices.

27 ~~(2) The Department of Commerce and Industry~~

28 ~~(a) promotes and oversees foreign investment;~~

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- 1 ~~(b) fosters commercial marketing of land and sea produce;~~
2 ~~(c) assists businesses with preparation of business loan applications and~~
3 ~~business plans;~~
4 ~~(d) promotes development and improvement of private sector business;~~
5 ~~(e) administers the Housing Renovation Loan Fund;~~
6 ~~(f) develops and monitors a consumer awareness program; and~~
7 ~~(g) provides businesses with information on pricing laws and regulations.~~

8 ~~(3)~~ (2) The Department of Education

- 9 (a) provides academic and vocational guidance for elementary and secondary
10 education, giving special attention to handicapped minors;
11 (b) conducts teacher training and evaluation;
12 (c) develops a relevant curriculum; and
13 (d) provides career counseling services to students.
14 (e) administers youth, senior citizens and women's affairs programs
15(f) preserves and promotes traditions and cultural heritage

16 ~~4)~~ (3) The Department of Health Services

- 17 (a) conducts a comprehensive public health services program, including medical
18 and dental services;
19 (b) operates and maintains the State hospital and outlying dispensaries; and
20 (c) oversees sanitation practices.

21 ~~(5)~~ (4) The Department of ~~Public Works~~ Transportation and Infrastructure

- 22 (a) constructs a primary road encircling the island;
23 (b) constructs a primary road from Innem to Okat;
24 (c) maintains primary roads, overseeing their structure and operational safety;
25 and
26 (d) maintains Government-owned utilities, including water services, and sets
27 utility rates by regulation.

28 ~~(6)~~ The Department of Agriculture, Land and Fisheries

1 ~~(a) assists private parties in the development of agriculture and forestry in an~~
2 ~~ecologically sound manner;~~

3 ~~(b) fosters commercial production of agricultural produce;~~

4 ~~(c) surveys all public and private lands and monitors the use of public lands~~
5 ~~maintaining a written roster of all parcels of public land;~~

6 ~~(d) preserves and regulates the use of objects and places of historical and~~
7 ~~cultural value;~~

8 ~~(e) maintains surveillance of the marine space and enforces Title 19;~~

9 ~~(f) fosters and protects commercial production of marine resources and sea~~
10 ~~produce;~~

11 ~~(g) negotiates Government leases, easements, and contracts, and designates for~~
12 ~~homesteading purposes public land in accordance with Chapter 5 of Title 11 of this Code;~~

13 ~~(h) manages, conserves and develops marine resources in accordance with Title~~
14 ~~19; and~~

15 ~~(i) identifies and establishes marine reserves, areas of natural and scientific~~
16 ~~interest, and protects marine and aquatic habitats and environments.~~

17 (5) The Department of Resources and Development

18 (a) promotes development and improvement of private sector business and
19 oversees foreign investment;

20 (b) fosters commercial marketing and protects commercial production of land
21 and sea produce;

22 (c) manages, conserves and develops marine resources and maintains
23 surveillance of the marine space and enforces Title 19;

24 (d) administers the Housing Renovation Loan Fund;

25 (e) develops a consumer awareness program and provides businesses with
26 information on pricing laws and regulations

27 (f) surveys all public and private lands and monitors the use of public lands
28 maintaining a written roster of all parcels of public land;

1 (g) preserves and regulates the use of objects and places of historical and
2 cultural value; and

3 (h) negotiates Government leases, easements, and contracts, and designates for
4 homesteading purposes public land in accordance with Chapter 5 of Title 11 of this Code.

5 ~~(7)~~(6) The Office of the Attorney General

6 (a) enforces State penal laws, delegating enforcement to a department in its
7 discretion;

8 (b) oversees Government compliance with law;

9 (c) provides legal advice and representation to the Executive, including the
10 collection of outstanding reimbursements and revenues;

11 (d) provides legal advice and representation to other components of
12 Government when directed by the Governor; and

13 (e) regulates the use of roads by motor vehicles.

14 ~~(8) — The Office of Community Affairs~~

15 ~~(a) administers youth, senior citizens and women’s affairs programs; and~~

16 ~~(b) preserves and promotes culture and traditions; and~~

17 ~~(c) supervises sports leagues and games, the State’s participation in extra-State~~
18 ~~tournaments, the use of public equipment and land for sports events and for the use of public sports~~
19 ~~facilities.”~~

20 Section 3. Amendment. Kosrae State Code at Section 1.305, Section 7.1003, Section 9.403,
21 Section 9.2101, Section 10.101, Section 10.202, Section 10.207, Section 10.208, Section 10.213,
22 Section 10.703, Section 11.401, Section 13.627, Section 14.104, Section 15.501, Section 17.104 and
23 Section 18.102 are hereby amended to read as follows:

24 “Section 1.305. Implementation of Code. Within thirty days following the Code's taking
25 effect the Clerk of Courts gives [the] ~~Department of Administration and Finance~~ Office of the
26 Governor all records pertaining to birth, marriage, and death.”

27 “Section 7.1003. Scholarship Loans. Standards adopted by the Board for the award of
28 scholarship loans ensure that:

1 (1) recipients are domiciliaries of the State attending or accepted to attend an
2 institution of learning outside the State;

3 (2) the recipient or another person makes adequate assurance for the repayment of
4 the loan by the giving of security or other means;

5 (3) interest on the loans does not exceed six percent (6%) per annum;

6 (4) loans are made on an equitable basis; [and]

7 (5) The Board reports in writing to the Governor and the Speaker no later than the
8 first day of June and December of each year regarding an accounting statement that includes:

9 (a) all sources and amounts of funding or income;

10 (b) all scholarships awarded;

11 (c) all office related expenses and expenditures; and

12 (d) a list of all current and past scholarship recipients, the scholarship amount
13 awarded, school they attend or have attended and past due balances.

14 The Board reports to the ~~Director for the Department of Administration and Finance~~
15 Office of the Governor upon the issuance of any scholarship loan, providing copies of all documents
16 related thereto. The ~~Director for the Department of Administration and Finance~~ Office of the Governor
17 is responsible for receiving repayment of loans. The Scholarship Board Administrator is responsible
18 for, with the advice of the Office of the Attorney General, enforcing the repayment of all scholarship
19 loans made. Monies received by the Government as repayment of scholarship loans or upon default of
20 a scholarship loan remain available to the Board to loan to qualified recipients.

21 Section 9.403. Regulations In addition to other regulations required by this title the
22 ~~Director of the Department of Administration and Finance~~ Office of the Governor establishes
23 regulations for the payment and collection of taxes imposed by this title, including the definition of
24 terms consistent with this title. Regulation may provide for:

25 (1) payment of sales tax no later than 120 days after the release of goods to a
26 consignee;

27 (2) a presumption in favor of intended sale by certain categories of persons;

1 (3) requiring each seller of goods in the State to maintain a record of each sale he
2 makes and to provide those records to the State;

3 (4) determination of sales value; and

4 (5) other matters necessary for an effective and fair tax collection,

5 Section 9.2101. Definitions. In this Chapter:

6 (1) "Passenger" is any person departing from Kosrae International Airport by
7 commercial aircraft except the following:

8 (a) Transit passengers who arrive and depart from the Kosrae International
9 Airport within a twenty-four hour period on the same flight and aircraft;

10 (b) Airline employees necessary for aircraft flight operations;

11 (c) Persons departing for medical emergencies, including the patient and
12 necessary attendants, as certified by the Director of Health Services, his designee, or other licensed
13 medical practitioner;

14 (d) Children under the age of two while travelling with an adult;

15 (e) United States Armed Forces personnel travelling as an activity of the United
16 States Armed Forces;

17 (f) Persons on charitable or disaster relief missions officially sanctioned by the
18 Governor, his designee, or the Speaker of the Legislature or his designee.

19 (2) "~~Director Office~~" is the ~~Director of the Department of Administration and Finance~~
20 Office of the Governor or his designee.

21 Section 10.101. Definitions In this title:

22 (1) "~~Department Office~~" is the ~~Department of Administration and Finance~~ Office of the
23 Governor.

24 Section 10.202. Director's powers and duties. The Director has the power and duty to:

25 (1) prepare and review plans for the management and enhancement of Government
26 revenues and reimbursements and for the support of public credit;

27 (2) supervise the collection of revenues and reimbursements;

1 (3) prescribe the form of keeping and rendering of public accounts, and issue pursuant
2 to law a warrant for money from the Treasury pursuant to appropriation;

3 (4) prepare and issue reports and fiscal information as may be required by law or
4 resolution of the Legislature;

5 (5) as the general accountant of the Treasury and its Funds record and audit every
6 receipt and disbursement of money paid to, by, or through the Treasury and exercise full supervision of
7 the Funds;

8 (6) withhold his approval when necessary to prevent misuse of State funds, including
9 the disbursement of funds in excess of appropriation;

10 (7) keep a complete set of double entry books in which appear accounts which show the
11 current status of each appropriation, and record daily therein all business transactions pertaining to
12 appropriations in detail;

13 (8) keep ledgers in which appear in a systematic manner accounts which show all
14 current Government funds, assets, liabilities, income and expenditures;

15 (9) maintain other books, records and documents as are necessary for the proper
16 administration of the Office;

17 (10) in consultation with the ~~Director of [the] Department of Administration and~~
18 ~~Finance Office of the Governor~~ continuously review Government accounting and financial reporting
19 practices and make required improvements;

20 (11) maintain accounting systems and produce financial reports regarding Government
21 operations, including central facilities which gather and disseminate information concerning
22 Government financial operations and their results;

23 (12) give full consideration to the Government's needs and responsibilities in
24 establishing accounting and reporting systems and other fiscal requirements; and

25 (13) emphasize systematic and orderly improvement in Government financial
26 management in order to formulate, adopt and maintain simplified and more effective accounting
27 systems, financial reporting procedures, budget processes, auditing requirements and procedures, and

1 to eliminate duplication and processes which do not serve a purpose commensurate with the cost
2 involved.

3 Section 10.207.1. Legislative Operations Fund. "Legislative operations monies" are monies
4 that are appropriated or authorized for legislative operations. A Legislative Operations Fund,
5 administered by the ~~Department of Administration and Finance~~ Governor's Office, is created to hold
6 legislative operations monies. At the direction of the allottee of legislative operations monies, or other
7 person designated pursuant to legislative rule, the ~~Department of Administration and Finance~~
8 legislative operations monies from the Funds of the Treasury to the Legislative Operations Fund.

9 Section 10.208. Allotment

10 (1) The ~~Director of the Department of Administration and Finance~~ Governor has the
11 power and duty to:

12 (a) make allotments

13 (b) make allotments of appropriated sums not later than ten days before the
14 beginning of the fiscal year for which the appropriation is available or not more than thirty days after
15 the effective date of an appropriation, whichever is later;

16 (c) make allotments at monthly, quarterly or other intervals, if sound financial
17 management practices permit and require; and

18 (d) immediately notify an allottee in writing of an allotment and of the periodic
19 nature of the allotment.

20 (2) Unless otherwise provided by law, the allottees of State funds are:

21 (a) The Governor, for the operations of the Executive;

22 (b) The Speaker, for operations of the Legislature; and

23 (c) The Chief Justice, for operations of the Judiciary.

24 The Governor is the allottee of funds appropriated for a Government operation not stated
25 in subsection 2 when an allottee is not provided by law.

26 Section 10.213. Reporting The ~~Department of Administration and Finance~~ Office of the
27 Governor gives to the Legislature its monthly or other periodic computer statement of the status of an
28 appropriated sum, and upon request gives the Legislature other data regarding Government finances or

1 an appropriated sum. The ~~Department of Administration and Finance~~ Office of the Governor gives to
2 the Legislature quarterly expenditure and performance progress reports on all funds appropriated under
3 the fiscal year budget within thirty days after the end of each fiscal quarter

4 Section 10.703. Authority of State officials When the specific amount that may be pledged and
5 used to cover the costs of borrowing is authorized by law:

6 The Governor, ~~the Director of Department of Administration and Finance~~, the Governor's delegate, if
7 any, to the Committee, and the Attorney General are authorized to perform the functions and duties
8 described in the National Act. In the case of the Attorney General, he is specifically authorized to
9 provide the legal opinion described in the National Act. Section 11.401. Deed of trust; Recordation;

10 Definitions

11 (a) A transfer in trust of an estate in real property may occur to secure the
12 performance of an obligation or the payment of a debt. A transfer in trust of a freehold or leasehold
13 interest in real property to secure an obligation is by deed of trust pursuant to this chapter. A transfer
14 does not entitle the trustee or beneficiary to the possession of the property, except as provided in this
15 chapter. A deed of trust complying with the terms and conditions of this chapter shall be deemed to be
16 an encumbrance upon real property and subject to the recordation provision of Section 11.619.

17 (b) The following definitions are applicable to this chapter:

18 (1) "beneficiary": a person to whom is owed an obligation that is secured
19 by the deed of trust; in the case of a secured debt or other obligation owed to the United States of
20 America, the Farmers Home Administration, the Department of Housing and Urban Development or
21 the Veterans Administration, the beneficiary may be any one of these entities;

22 (2) "trustee": a person, including ~~Department of Administration and~~
23 Finance Office of the Governor or other legal entity of the State Government designated by the
24 Governor, to whom a freehold or leasehold interest in property is conveyed by the trustor to secure
25 payment of a debt or performance of an obligation owed to the beneficiary and who holds title pursuant
26 to the terms and conditions of the deed of trust instrument; the trustee is in all respects a fiduciary with

1 respect to the property for the benefit of the beneficiary and shall be governed by the terms and
2 conditions of the deed of trust instrument;

3 (3) "trustor": the debtor under a deed of trust or the owner or owners of
4 the freehold and leasehold interest who convey that interest in real property to the trustee under the
5 terms of the deed of trust instrument.

6 Section 13.627. Fiscal malfeasance. Fiscal malfeasance is being a Government official, officer
7 or employee and:

8 (1) making or receiving an allotment, or making or authorizing an expenditure or
9 creating or authorizing an obligation pursuant to any appropriation, apportionment, reapportionment, or
10 allotment of Government funds:

- 11 (a) in excess of the sum available by law;
- 12 (b) in advance of the availability of funds;
- 13 (c) for purposes other than those for which an appropriation or allotment has
14 been made;
- 15 (d) in excess of reprogramming authority granted by law; or

16 (2) ~~Being the Director of the Department of Administration and Finance and knowing of~~
17 ~~a violation of this section and failing to immediately report to the Governor, to the Speaker, and to the~~
18 ~~Attorney General, all pertinent facts together with a statement of the action taken or proposed to be~~
19 ~~taken by the Director, except that the Director shall be under no such reporting obligation with respect~~
20 ~~to the use or proposed use of funds withdrawn from the Legislative Operations Fund by the allottee or~~
21 ~~other authorized person.~~ Fiscal malfeasance is a category one felony.

22 Section 14.104. Port and Dock Fees. ~~The Department of Administration and Finance~~
23 Office of the Governor or its designee collects the following fees from masters and agents of vessels
24 using the ports and docks in the State of Kosrae:

- 25 (1) Entry Fee
 - 26 (a) \$0.15 per gross registered ton for vessels of specified tonnage;
 - 27 (b) \$2.00 per foot or fraction thereof as measured from bowsprit to stern for
28 yachts, sailboats, pleasure crafts and other vessels of unspecified tonnage;

1 (2) Anchorage Fee

2 (a) \$0.05 per gross registered ton per 24 hours or fraction thereof for vessels of
3 specified tonnage;

4 (b) \$25.00 for yachts, sailboats, pleasure crafts and other vessels of unspecified
5 tonnage; except if such vessels anchor less than 24 hours the anchorage fee shall be \$10.00;

6 (3) Dockage Fee

7 (a) \$0.09 per gross registered ton per 24 hours or fraction thereof for vessels of
8 specified tonnage;

9 (b) \$50.00 per 24 hours or fraction thereof for yachts, sailboats, pleasure crafts
10 and other vessels of unspecified tonnage; except if such vessels remain at the dock less than 24 hours
11 the dockage fee shall be \$25.00;

12 (4) Wharfage Fee

13 (a) \$0.25 per revenue ton for cargo conveyed over the dock.

14 The dockage fee prescribed in Section 14.104(3) does not apply to vessels docked at or using the small
15 boat marinas in Lelu, Tafunsak, and Utwe. This section does not apply to locally based non-
16 commercial fishing vessels and outrigger vessels; vessels wholly owned by the Government, by Kosrae
17 domiciliaries, or by the Government and Kosrae domiciliaries jointly; and military and law enforcement
18 vessels. The ~~Director of [Finance]~~ ~~Administration and Finance~~ Office of the Governor establishes
19 regulations for the collection of entry, anchorage, dockage, and wharfage fees.

20 Section 15.501. Definitions. In this chapter:

21 (1) "available" is able to be in the State on the date the employer states the worker
22 begins work.

23 (2) "Office" is the ~~Department of Administration and Finance~~ Office of the Governor.

24 (3) ~~"Director" is the Director of the Department of Administration and Finance.~~

25 (4) "employee" a noncitizen worker, including a person acting in a professional,
26 managerial, or executive capacity.

1 (5) "employer" is an individual, partnership, association, or corporation hiring
2 employees and any individual who has in his employ a domestic servant, but does not include
3 government.

4 (6) "temporary employee" is an employee employed within the State for a period less
5 than ninety days or as otherwise stated by this chapter.

6 Section 17.104. Fees ~~The Department of Administration and Finance~~ Office of the Governor
7 collects a fee required by this part.

8 Section 18.102. Definitions. Unless another meaning clearly appears in the Code, the
9 following terms have the meaning indicated: In this Title, unless the context requires otherwise, the
10 following definitions shall apply:

11 (1) "Adjusted base salary" means the total of base salary plus market place
12 premiums and foreign service premiums. If an employee is not entitled to either of these premiums, his
13 adjusted base salary means his base salary.

14 (2) "Base salary" means the specific rate of pay for a given pay level and step as
15 contained within the base salary schedule established by law. Base salary does not include
16 differentials, premiums, or other allowances for night work, transfer, overtime, holiday work, travel
17 per diem, or other similar compensation or reimbursement.

18 (3) "Branch Head" means the head of each of the respective three branches of
19 government: Governor for the Executive, Speaker for the Legislature and Chief Justice for the
20 Judiciary. For purposes of this Title, 'Executive' includes Kosrae State Government agencies, but does
21 not include any authority, publicly financed enterprise or public corporation granted authority to retain
22 and terminate employees upon such terms and conditions as it deems appropriate.

23 (4) "Base Salary Schedule" means the salary schedule established by law for use in
24 promotion, reallocation, and new hires. (added by S.L. 7-184 and subsequent provisions renumbered)

25 (5) "Class" or "class of positions" means a group of positions sufficiently similar so that
26 all can reasonably be identified by the same title, be filled by applying the same qualification standards,
27 and be equitably compensated by the same salary level. A class may consist of only one position or
28 any greater number of positions.

1 ~~(6)~~ "Director" means the Director of the Department of Administration and Finance.

2 (7 6) "Eligible list" means a list of persons who have been found qualified for
3 appointment to a position in a particular class. Such a list may be either reemployment, promotional, or
4 open-competitive.

5 ~~(8)~~ 7 "Eligible person" or "eligible" means a person whose name is on an active eligible
6 list.

7 ~~(9)~~ 8 "Employee" means a person holding a position in the public service, whether
8 permanently or otherwise.

9 ~~(10)~~ 9 "Management official" or "management" means a supervisor of a division,
10 Branch Head or other person authorized to make appointments or changes in status of employees in
11 public service.

12 ~~(11)~~ 10 "Merit Review Committee" or "MRC" means the Committee selected by the
13 Oversight Board to establish uniform criteria for the evaluation of superior work performance, to select
14 employees for merit bonuses other incentives, and to implement other incentive programs as may be
15 prescribed by law or regulations.

16 ~~(12)~~ 11 "Open-competitive examination" means an examination for positions in a
17 particular class, admission to which is not limited to persons employed in the public service.

18 ~~(13)~~ 12 "Open-competitive list" means a list of persons who have been found
19 qualified by open-competitive examination for appointment to a position in a particular class.

20 ~~(14)~~ 13 "Oversight Board" means a three member board consisting of each
21 Branch Head, or their designee, that will create and control policy and promulgate rules and regulations
22 for the Public Service System.

23 ~~(15)~~ 14 "Position" means a group of duties and responsibilities assigned by the
24 respective management official to be performed by one person, working full-time or part-time. A
25 position may be either occupied or vacant.

26 ~~(16)~~ 15 "Position Classification plan" means the arrangement in a systematic
27 order of the titles of all classes existing in the public service, with a description of each class, as agreed
28 to by the Oversight Board.

1 (~~17~~ 16) "Probation Period" means a period of probationary employment status of
2 not less than 6 months no more than 1 year from the beginning of an employee's service in a particular
3 position or class in the public service.

4 (~~18~~ 17) "Promotional examination" means an examination for positions in a
5 particular class, admission to which is limited to regular employees in the public service.

6 (~~19~~ 18) "Promotional list" means a list of persons who have been found qualified
7 by a promotional examination for appointment to a position in a particular class.

8 (~~20~~ 19) "Public service" means all offices and other positions in the Government
9 of the State of Kosrae not exempted by Section 18.107 of this Chapter.

10 (~~21~~ 20) "Reemployment list" means a list of persons who have been regular employees
11 in the public service and who are entitled to have their names certified for appointment to a position in
12 the class in which they last held permanent status, or in a related class in the same or a lower salary
13 range for which they meet the qualification requirements.

14 (~~22~~ 21) "Regular employee" or "permanent employee" means an employee who has been
15 appointed to a position in the public service and who has successfully completed a probation period.

16 Section 4. Amendment. Kosrae State Title 5, Section 5.206, Section 7.506, Section 7.508,
17 Section 7.1206 and Section 7.1208 are hereby amended to read as follows:

18 "Section 5.206. ~~Department of Public Works~~ Transportation and Infrastructure. In
19 setting departmental priorities the Department of ~~Public Works~~ Transportation and Infrastructure gives
20 priority to a speedy completion of its duty set forth in Section 5.202 (9)(b), providing a monthly
21 progress report to the Legislature, and adhering to work schedules set by a monitoring authority. If it
22 does not adhere to a work schedule, it states the reasons for the failure in the report for that month in
23 which it has not met a work schedule."

24 "Section 7.506. Composition of the Board; term. The Authority is governed by a Board of five
25 Directors. The Board is composed of four Directors appointed by the Governor with the advice and
26 consent of the Legislature, and, ex-officio, the Director of the Department of ~~Public Works~~
27 Transportation and Infrastructure. An appointed Director serves for a term of four years, subject to
28 reappointment, and until his successor has been appointed and qualifies. Initially, the Governor

1 appoints two Directors to two year terms and two Directors to four year terms. A vacancy is filled for
2 the remainder of the term for the vacated position.”

3 “Section 7.508. Organization of the Board; quorum; compensation and expenses. Pursuant to
4 its bylaws, the Board organizes by electing one of its members as Chairman and another as Vice-
5 Chairman. The Board also designates from among its members a Secretary to keep the minutes and
6 records of the Board. Any three members of the Board constitute a quorum, and a concurrence of three
7 members is necessary for any official action taken by the Board. No vacancy in the membership of the
8 Board impairs the right of a quorum to exercise all of the rights and perform all of the duties of the
9 Board. Directors are compensated at established rates when actually attending meetings of the Board,
10 except the Director of the Department of ~~Public Works~~ Transportation and Infrastructure who does not
11 receive additional compensation. All Directors receive travel expenses and per diem at Kosrae State
12 Government rates when these amounts would be payable to Kosrae State Government employees in the
13 same circumstances.”

14 “Section 7.1206. Composition of the Board; term. The Authority is governed by a Board of five
15 Directors. The Board is composed of four Directors appointed by the Governor with the advice and
16 consent of the Legislature, and, ex-officio, the Director of the Department of ~~Public Works~~
17 Transportation and Infrastructure. An appointed Director serves for a term of four years, subject to
18 reappointment, and until his successor has been appointed and qualifies. Initially, the Governor
19 appoints two Directors to two year terms and two Directors to four year terms. A vacancy is filled for
20 the remainder of the term for the vacated position. The General Manager serves pursuant to the
21 provisions of Section 7.1209.”

22 “Section 7.1208. Organization of the Board; quorum; compensation and expenses. Pursuant to
23 its bylaws, the Board organizes by electing one of its members as Chairman and another as Vice-
24 Chairman. The Board also designates from among its members a Secretary to keep the minutes and
25 records of the Board. Any three members of the Board constitute a quorum, and a concurrence of three
26 members is necessary for any official action taken by the Board. No vacancy in the membership of the
27 Board impairs the right of a quorum to exercise all of the rights and perform all of the duties of the
28 Board. Directors are compensated at established rates when actually attending meetings of the Board,

1 except the Director of the Department of ~~Public Works~~ Transportation and Infrastructure who does not
2 receive additional compensation. All Directors receive travel expenses and per diem at Kosrae State
3 Government rates when these amounts would be payable to Kosrae State Government employees in the
4 same circumstances.”

5 Section 5. Amendment. Kosrae State Title 10, Section 10.205 is hereby amended to read as
6 follows:

7 Section 10.205. The Revenue Fund

8 (1) The Revenue Fund contains all monies received by the Government pursuant to a
9 law imposing a tax, duty or tariff, and all other revenues and reimbursements from a fine, fee, license,
10 interest, rent, or Government service, and other Government collection or collections by a government
11 for the Government's benefit. A person who receives monies pursuant to this section transmits the
12 monies within seven days of receipt to the Division of Finance and Budget for deposit in the Revenue
13 Fund except that:

14 (a) the Department of ~~Agriculture, Land and Fisheries~~ Resources and
15 Development may retain monies received in the sale of supplies and equipment for gardening, livestock
16 and poultry production, and in the marketing of all agricultural produce;

17 (b) the Sports Council may retain funds collected pursuant to Section
18 7.902(3), funds obtained through contributions and donations, and any interest thereon for funding
19 operations, acquisition of equipment and the purchase of prizes;

20 (c) The Division of Finance and Budget retains in an Airport Trust Fund all
21 monies from taxes, duties, tariffs, fees, licenses, rents and other charges arising out of the operations of
22 the Kosrae Airport, including all airport buildings and facilities, which monies are spent at the
23 discretion of the Department of ~~Transportation and Utilities~~ Transportation and Infrastructure for
24 operations, construction and renovation of facilities at the Kosrae Airport.

25 (d) The Division of Finance and Budget retains in a Recycling Fund all monies
26 collected pursuant to Title 9, Chapter 22, and follows the Recycling Program Regulations for the
27 disbursement of Recycling Fund monies for the refund of Recycling Deposit fees, beverage container
28 depo and the maintenance of a recycling program;

1 (e) The Kosrae's Visitors' Bureau may retain monies received from the sale of
2 books, postcards, handicrafts, and other tourist material for the purpose of acquiring additional
3 inventory of such classes of items; and

4 (f) The Division of Finance and Budget retains in a Publication Fund the
5 proceeds received from the sale of copies of the Kosrae State Code and the Selected Laws of the State
6 of Kosrae, which proceeds are available for use by the Code Revision and Publication Commission to
7 defray the costs of preparation and publication of the Selected Laws of the State of Kosrae;

8 (g) The Division of Finance and Budget retains in a Health Care Fund all monies
9 collected from or on behalf of patients or clients or the Kosrae Department of the Health Services,
10 including, but not limited to, reimbursements from any program of medical insurance and payments
11 received by the State in connection with off-island referrals. Monies in the Health Care Fund are
12 continually appropriated for expenditures by the Department of Health Services solely for the purchase
13 of medical supplies, inclusive of pharmaceutical supplies, for use by the Department of Health
14 Services, its clinics, dispensaries, programs and patients.

15 (h) The Division of Finance and Budget retains in a State Scholarship Grant and
16 Loan Fund, all monies received from Kosrae State Government appropriations for scholarship purposes
17 and from loan collection from student loans. Monies in the Scholarship Fund must be made available
18 solely for Kosrae State Scholarship Board and continually loaned out to qualified recipients.

19 (i) The Division of Finance and Budget retains in a Broadcast Authority Fund all
20 monies from payments received from advertisements and other broadcasting programs requiring
21 payments to the State Broadcast Authority. Monies in the Broadcast Authority Fund are available
22 solely for the purpose of funding operations of the State Broadcast Authority;

23 (j) The Department of Education retains in a Yearbook Revolving Fund all
24 monies contributed, received and collected from yearbook sales by depositing that revenue into the
25 fund using it strictly for the Kosrae high School yearbook; and

26 (k) The Division of Housing under the Department of ~~Commerce and Industry~~
27 Resources and Development may retain monies collected or received under its housing loan program in

1 a Housing Renovation Revolving Fund, and promulgates regulation for the disbursement of said
2 monies

3 Section 6. Amendment. Kosrae State Title 11, Section 11.305, 11.503, 11,504, 11.505,
4 11.507, 11.508, 11.509, 11.1101, 11.1102, 11.1401, 11.1402, 11.1501 and 11.1503 are hereby
5 amended to read as follows:

6 “Section 11.304. Registration. In consultation with the Land ~~Commission~~ (~~Court~~) Court and
7 the Department of ~~Agriculture, Land and Fisheries~~ Resources and Development, the Governor certifies
8 a person as land surveyor following oral, written and practical examination and a finding of
9 qualification of the applicant by a qualified land surveyor appointed by the Governor.

10 Section 11.503. Eligibility. In addition to other requirements provided by law or regulation
11 the following determines homesteading eligibility:

12 (1) A person is eligible for homesteading if he has attained the age of eighteen, and is a
13 domiciliary. A person may not acquire a homestead interest in a parcel of land which exceeds the
14 maximum established area. A person may not acquire more than one homestead, except that a
15 qualified person may have one dwelling homestead and one farming homestead. A person who owns
16 land, the size of which equals or exceeds the maximum established homestead area may not acquire a
17 homestead.

18 (2) A clan, lineage, family or group of persons who collectively possess land rights by
19 tradition recognized by the Governor is eligible if the Director of the Department of ~~Agriculture, Land~~
20 ~~and Fisheries~~ Resources and Development, taking cognizance of the tenure tradition, recommends to
21 the Governor that the clan, lineage, family or group of persons is eligible for a homestead. A clan,
22 lineage, family or group of persons may not acquire a homestead which exceeds the established
23 maximum area.

24 Section 11.504. Application. The Director of the Department of ~~Agriculture, Land and~~
25 ~~Fisheries~~ Resources and Development receives an application for a permit to homestead land. The
26 sworn application states:

- 27 (1) facts upon which the applicant relies to establish his eligibility to homestead;
28 (2) a description by metes and bounds of the property sought for homestead; and

10 (3) other data required by regulation.

2 Section 11.505. Approval The Director of the Department of ~~Agriculture, Land and Fisheries~~
3 Resources and Development verifies the applicant's eligibility and presents the essential facts of the
4 application to the Governor for his approval or disapproval.

5 Section 11.507. Conditions.

6 (1) The homesteader enters upon and commences the use and improvement of the land
7 in accordance with a homestead permit within one hundred twenty days after receipt of a permit. If the
8 homesteader does not enter the land as required, the permit expires and is null and void, and the
9 homesteader thereby waives all rights in the land.

10 (2) Within six months of entry the homesteader places at all corners of the land markers
11 obtained from the Department of ~~Agriculture, Land and Fisheries~~ Resources and Development, and
12 maintains all boundaries clear of weeds, trash and underbrush.

13 (3) During the period of occupancy the homesteader complies with laws and regulations
14 concerning the use, occupation and development of the land.

15 Background

16 Section 11.508. Deeds The Governor issues a deed of conveyance on behalf of the Government
17 for homestead land entered pursuant to this chapter upon the expiration of three years from the date of
18 entry and the Director of the Department of ~~Agriculture, Land and Fisheries~~ Resources and
19 Development certification that the homesteader has complied with all law and regulation relating to the
20 homestead. The Governor issues the deed of conveyance within two years of the time the homesteader
21 becomes eligible to receive the deed of conveyance. A deed of conveyance conveys to the homesteader
22 all Government rights to the land and improvements, except rights reserved by law or by permit.

23 Section 11.509. Transfer. A person may not sell, assign, lease, transfer or encumber a
24 homestead permit; except that, if a homesteader dies before the issuance of a deed of conveyance, all
25 rights in the permit inure to the benefit to the person the homesteader has designated in a writing filed
26 in the Department of ~~Agriculture, Land and Fisheries~~ Resources and Development. If the homesteader

1 did not make a designation the Director of the Department of Agriculture, Land and Fisheries revokes
2 the permit, and the land, with all appurtenances, reverts to the Government.

3 Section 11.1101. Trochus. The Director of the Department of ~~Agriculture, Land and Fisheries~~
4 Resources and Development has the power and duty to preserve and develop trochus resources for
5 maximum economic and ecological benefit. By regulation the Director provides for:

6 (1) the time, place and method of trochus harvesting by a permit system to
7 assure responsible and environmentally sound harvesting; and

8 (2) minimum and maximum shell size or other limitations in harvesting.

9 Section 11.1102. Sea Cucumbers. The Director of ~~Agriculture, Land and Fisheries~~
10 Resources and Development and ~~the Development Review Commission~~ KIRMA have the power and
11 duty to preserve and develop sea cucumber resources for maximum economic and ecological benefit.

12 (1) No person may commercially harvest, commercially process, or
13 commercially export sea cucumbers without having a valid permit issued by the ~~Development Review~~
14 ~~Commission~~ KIRMA.

15 (2) No person may possess more than five (5) sea cucumbers, at one time,
16 without a valid permit issued by ~~the Development Review Commission~~ KIRMA.

17 (3) In consultation with the Director of the Department of ~~Agriculture, Land~~
18 ~~and Fisheries~~ Resources and Development, ~~the Development Review Commission~~ KIRMA shall adopt
19 necessary regulations to provide for the protection and sustainable commercial harvesting, commercial
20 processing, and commercial exportation of sea cucumbers in accordance with this section. These
21 regulations shall provide for:

22 (a) the number, time, species, place and method of sea cucumber
23 harvesting by a permit system to assure responsible and environmentally sound harvesting;

24 (b) minimum and maximum size or other limitation in harvesting;

25 (c) requiring permit holders to receive training in sea cucumber species
26 identification;

27 (d) minimizing environmental impacts caused by commercial processing
28 of sea cucumbers;

1 (e) reporting requirements for persons commercially processing or
2 commercially exporting sea cucumbers; and

3 (f) the absolute ban of the commercial harvesting, commercial
4 processing, and/or commercial exportation of any species of sea cucumber that has been determined by
5 the Director of the Department of ~~Agriculture, Land and Fisheries~~ Resources and Development to
6 require such protection.

7 (4) The Director of the Department of ~~Agriculture, Land and Fisheries~~
8 Resources and Development shall monitor sea cucumber populations to determine whether the
9 commercial harvesting, commercial processing, or commercial exportation of sea cucumbers is within
10 sustainable levels.

11 (5) Prior to issuing a permit, ~~the Development Review Commission~~ KIRMA
12 shall receive and consider advice from the Director of the Department of ~~Agriculture, Land and~~
13 ~~Fisheries~~ Resources and Development.

14 (6) For purposes of this section, the phrase “sustainable commercial harvesting,
15 commercial processing, and commercial exportation” means undertaking these activities by methods,
16 and at levels, that allow the sea cucumber population to replenish itself perpetually, and does not
17 significantly alter or degrade their functions within the island ecosystem.

18 Section 11.1401. Impact review Before the Government begins to undertake, assist,
19 participate in, or license action that might affect the land or State waters the Department of
20 ~~Agriculture, Land and Fisheries~~ Resources and Development considers the impact of the action on
21 antiquities and traditional culture, reporting its findings to the Governor, the Legislature, and
22 components of Government involved in the proposed action.

23 Section 11.1402. Regulation By regulation the Director of the Department of
24 ~~Agriculture, Land and Fisheries~~ Resources and Development states the classes of structures, artifacts,
25 or other objects which constitute State antiquities, and provides for authorization of the use of
26 antiquities for scholarly research, museum display or educational purposes.”

27 Section 7. Amendment. Kosrae State Title 14, Section 14.204 and 14.206, is hereby amended
28 to read as follows:

1 Section 14.204. Introduction of animals or plants. A person wanting to bring into the State a
 2 species of animal or form of plant life not at that time in the State applies for permission to the
 3 Department of ~~Agriculture, Land and Fisheries~~ Resources and Development which provides by
 4 regulation for standards for exclusion and states an excluded animal or plant.

5 Section 14.206. Disposition. Matter which a person attempts to bring into the State in
 6 violation of law or regulation established is subject to seizure by the Government for appropriate
 7 disposition pursuant to regulation of the Department of ~~Agriculture, Land and Fisheries~~ Resources and
 8 Development.

9 Section 8. Amendment. Kosrae State Title 15, at Section 15.303 subsection 4 is hereby
 10 amended to read as follows:

11 “Section 15.303. Definitions. When used in this Act, the following words shall have
 12 meanings as defined below, unless otherwise required by the context:

13 (4) ‘Director’ means the Director of the Kosrae State Department of ~~Commerce~~
 14 ~~and Industry~~ Resources and Development.

15 Section 9. Amendment. Kosrae State Title 19, at Section 19.101 subsections 5 and 6 is hereby
 16 amended to read as follows:

17 Section 19.101. Definitions. As used in this Title, unless the context otherwise
 18 requires, the term:

19 (5) "Department" means the Department of ~~Agriculture, Land and Fisheries~~
 20 Resources and Development; and

21 (6) "Director" means the Director of ~~Agriculture, Land and Fisheries~~ Resources
 22 and Development.”

23 Section 10. Effective Date. This act takes effect upon the approval of the Governor or upon its
 24 becoming law without such approval.

25
 26

27 Date: _____

Introduced by: _____
 Lyndon Jackson