

A BILL FOR AN ACT

To repeal State Laws 1-25, 3-99 and 4-8 to eliminate the Kosrae Farmer's Exchange Fund, the Production Development Loan Fund and the Fisheries Revolving Fund respectively; to amend Title 10, Chapter 2, Section 10.205(1)(a) so as to eliminate the Marketing Support Fund and to establish a new Production Development Fund; to repeal subsections 10.205(2) and 10.205(3); and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE:

1           Section 1.     Purpose.        To merge and consolidate the existing Kosrae  
2 Farmer's Exchange Fund, Production Development Loan Fund, Fisheries Revolving  
3 Fund and Marketing Support Funds into a single revolving fund to be known as the  
4 Production Development Fund, by repealing State Laws 1-25, 3-99 and 4-8 and  
5 amending Section 10.205(1)(a) of the Kosrae State Code to establish a single revolving  
6 fund to carry out the functions of the current four funds; and to repeal subsections  
7 10.205(2) and 10.205(3).

8           Section 2.     Repealer       State Law 1-25; State Law 3-99; and State Law 4-8  
9 are hereby repealed.

10          Section 3.     Amendment   Title 10, Chapter 2, Section 10.205(1)(a) of the  
11 Kosrae State Code is hereby amended to read as follows:

12        “     Section 10.205. The Revenue Fund.

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

1           ~~(a) the Department of Agriculture, Land and Fisheries may retain~~  
2           ~~monies received in the sale of supplies and equipment for gardening,~~  
3           ~~livestock and poultry production, and in the marketing of all agricultural~~  
4           ~~produce;~~

5           (a) the Department of Resources and Economic Affairs shall maintain  
6           a revolving fund know as the Production Development Fund.

7           (i) The fund shall be used:

8                   (1) to make low interest loans to individuals to assist with the  
9                   production of goods for export or sale or consumption in  
10                  Kosrae; or

11                  (2) to make bulk purchases of agricultural supplies for re-sale  
12                  to farmers at a price no greater than 10% of the net purchase  
13                  price; or

14                  (3) to purchase fishing supplies for re-sale in Kosrae; or

15                  (4) to assist with the marketing of Kosraean agricultural  
16                  produce.

17           (ii) The fund shall receive monies from these sources:

18                   (1) the sale of supplies and equipment for gardening, livestock  
19                   and poultry production, and from the marketing of all  
20                   agricultural produce; and

- 1                   (2) the sale of agricultural supplies; and  
2                   (3) the sale of fishing supplies; and  
3                   (4) the re-payment of principal or interest of loans made from  
4                   the Production Development Fund.

5                   (iii) The Production Development Fund shall be administered by  
6                   Director of the Department of Resources and Economic Affairs.

7                   (1) The Director shall prepare a monthly report detailing all  
8                   loans and listing any other transactions;

9                   (2) A copy of this report shall be transmitted to the Director of  
10                  Administration and Finance and to the Speaker of the Kosrae  
11                  State Legislature within 5 business days of the end of each  
12                  month.

13                  Section 4.    Repealer.        Title 10, Chapter 2 Section 10.205 subsections (2 )  
14                  and (3) of the Kosrae State Code are hereby repealed.

15                  Section 5.    Reversion of funds to the Production Development Fund    All  
16                  funds currently held, either on deposit or in cash, in the Kosrae Farmer's Exchange Fund;  
17                  the Production Development Loan Fund; the Fisheries Revolving Fund; or the Marketing  
18                  Support Fund; shall be paid into the Production Development Fund.

19                  (1)     Any receivables currently owed to the above referenced funds shall be  
20                  receivables of the State of Kosrae and shall be paid to the Production

1           Development Fund as they are received.

2           Section 6.    Effective Date.       This Act takes effect upon approval by the  
3 Governor or upon its becoming law without such approval.

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9   Date: \_\_\_\_\_

Introduced by: \_\_\_\_\_  
                  Senator Semeon Phillip