

P.L. No. 2000-1

A Bill
for
An Act

To provide -

(a) in accordance with Article VIII of the Constitution, for the issue from the Marshall Islands General Fund, including funds provided under the Compact of Free Association and other funds, of a total sum of \$34,426,324 to meet the expenditures of the Government for a part of the Financial Year 2000 up to, and including, March 31, 2000 (hereinafter referred to as "the Interim Period") and to appropriate sums to program areas; and

(b) for a Contingencies Fund in accordance with Section 9 of Article VIII of the Constitution; and

(c) for contingent appropriation of amounts that may be received in the future; and

(d) for delegation of expenditure approval under Section 5 of Article VIII of the Constitution;

(e) for controls on reprogramming and transfer of funds within appropriation areas; and

(f) for control on specific expenditures.

BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS:

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1 Section 1. Short Title.

2 This Act may be cited as the Interim
3 Appropriation (Financial Year 2000) Act 2000 and shall
4 be deemed to have come into effect on 1, October 1999.

5 Section 2. Statement of National Objective.

6 It is the objective of the Government of the
7 Republic of the Marshall Islands to hereby enact and
8 implement an interim national budget for the Financial
9 Year 2000. This will, among other things, provide
10 necessary funding for Government operations during the
11 Interim Period, pending the formulation, enactment and
12 implementation of a more comprehensive and balanced
13 national budget.

14 Section 3. Interpretation.

15 In this Act -

16 (1) "program area" means program areas set out
17 in Schedules 1-9 as indicated by numbering in the first
18 column of those schedules;

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1 (2) "unanticipated income" means any money, not
2 being loan money, that -

3 (a) becomes available for expenditure from
4 a source at a time when the Nitijela is not meeting; and

5 (b) has not been specifically included in
6 the budget estimates for the Interim Period, which the
7 Cabinet is satisfied should, in the interests of the
8 Republic of the Marshall Islands, be expended, in whole
9 or in part, before the expenditure could reasonably be
10 authorized by an Appropriation Act or a Supplementary
11 Appropriation Act.

12 Section 4. Appropriations from the Marshall Islands
13 General Fund.

14 (1) **Interim Total Appropriation.** The sum of
15 \$19,167,723 is hereby appropriated and may be withdrawn
16 from the Marshall Islands General Fund and expended
17 during the Interim Period pursuant to Article VIII of
18 the Constitution for program areas in accordance with

1 Schedule 1, Recurrent Cost, during the Financial Year
2 as provided for in this Section.

3 (2) Nonrecurrent/Development. All Capital
4 Account Funds provided under the Compact of Free
5 Association shall be credited to the General Fund.
6 Where the use of such Capital Account Funds represents
7 a direct charge on the General Fund such funds shall be
8 deemed to be appropriated to the Ministry of Finance or
9 to Debt Service Fund, as appropriate.

10 (3) Restrictions on Reprogramming of Compact
11 Funds. Funds received and appropriated pursuant to
12 Sections 111, 177, 211, 213, 214, 215, 216, 217, and
13 221 of the Compact of Free Association shall not,
14 during the Interim Period, be transferred to any other
15 activity, or reprogrammed or expended for any purpose
16 other than the permissible uses of those funds as
17 provided for in the Compact of Free Association and its
18 Subsidiary Agreements.

1 (4) Compact Communications Operation. All

2 moneys received under Section 215(a)(1) of the Compact
3 of Free Association and appropriated shall not lapse at
4 the end of the Interim Period, but shall continue until
5 either the purpose of the appropriation is completed or
6 funds are expended, whichever occurs first.

7 (5) Section 216 Compact Funds.

8 (a) The appropriation of \$396,700 referred to
9 in Schedule 1 shall be credited to the Scholarship Fund
10 established by the Scholarship Board. The Fund shall
11 be utilized for post secondary programs as authorized
12 by the Cabinet.

13 (b) All monies received under Paragraphs
14 216(a)(1), (2), and (3) of the Compact and appropriated
15 shall not lapse at the end of the Interim Period, but
16 shall continue until either the purpose of the
17 appropriation is completed or funds are expended,
18 whichever occurs first.

Section 5. Appropriation of U.S. Agency and Other Foreign Grants.

(1) Subject to Sections (4) and (6), the sum of \$2,703,850 (being the total amount of special U.S. Agency and other foreign grants) is appropriated and may be withdrawn from the Marshall Islands General Fund pursuant to Article VIII of the Constitution, for program areas in accordance with Schedule 4, during the Interim Period.

(2) The amounts set out in Schedule 4 are not available for expenditure as reprogrammed expenditure under Article VIII Section 7 of the Constitution, except as authorized by or under the agreements with the grantor nation.

(3) The appropriation made by Subsection (1) shall not lapse at the end of the Interim Period, but shall continue until either the grant expires or the funds are expended, whichever occurs first.

1 Section 6. Funding of the Office of the Auditor-
2 General.

3 The Secretary of Finance shall withhold and
4 deposit in a special account in the Marshall Islands
5 General Fund, one half of one percent (0.5%) of all
6 amounts appropriated in Schedule 1 and the sum so
7 withheld and deposited may be withdrawn and expended by
8 the Auditor-General in accordance with the budget
9 approved for his office by the Cabinet, for the
10 operations and activities of his office.

11 Section 7. Contingencies Fund.

12 (1) In accordance with Article VIII, Section 9
13 of the Constitution, there is hereby established a
14 Contingencies Fund.

15 (2) The amount of the Contingencies Fund
16 prescribed, for the duration of the Interim Period, for
17 the purposes of Article VIII, Section 9(1) of the
18 Constitution is \$250,000.

(3) Where, during the Interim Period, an amount of unanticipated income is received by the Government for the purpose of an urgent and unforeseen need, the amount prescribed in Subsection (2) for the Contingencies Fund is increased by the amount of that unanticipated income, to meet such need.

Section 8. Unanticipated income.

Where, during the Interim Period, an amount of unanticipated income is received by the Government for a specified program area, otherwise than as set out in Section 7(3), that amount is appropriated for the corresponding program area in Schedules 4 or 5, as the case may be, and the amount of the appropriation for that program area is increased accordingly.

Section 9. Notification to the Cabinet by the Minister.

When any money to which Section 7(3) or Section 8 applies is received, the Minister of Finance shall notify the Cabinet of the receipt of such money, and

1 such money shall not be expended without the approval
2 of the Cabinet.

3 Section 10. Lapsing of Certain Appropriations.

4 Any increase in the amount prescribed for the
5 Contingencies Fund provided for by Section 7(3) ceases
6 and any increase in the amount of an appropriation
7 affected by Section 9 lapses -

8 (a) on the effective date of the next
9 Appropriation Act or Supplementary Appropriation Act
10 enacted after the date referred to in Subsection (1);
11 or

12 (b) on the adoption of a Resolution to that
13 effect by the Nitijela, whichever occurs first.

14 Section 11. Delegation of Authority to Approve.

15 (1) For the purposes of Article VIII, Section
16 5(1) of the Constitution, the authority to approve
17 expenditure in a program area in accordance with
18 Schedules 1-5 is hereby delegated to -

1 (a) the member of the Cabinet primarily
2 responsible for that program area; and

3 (b) if the responsible member of the
4 Cabinet so directs by instrument in writing, and
5 subject to any limitations imposed by the instrument
6 and to general control by the member, an appropriate
7 person, authority, or agency.

8 (2) All expenditure for international travel
9 shall be approved by the Minister of Finance, or his
10 nominee. The Minister shall promulgate rules and
11 regulations in respect to all travel expenditures.

12 (3) Any expenditure otherwise than in accordance
13 with Schedules 1-5 shall require the approval of the
14 Cabinet in accordance with Article VIII, Section 5(1) of
15 the Constitution.

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Certificate


I hereby certify:

(1) that the above Nitijela Bill No. 1 has been passed by the Nitijela of the Marshall Islands on the 11th Day of January, 2000;

(2) that I am satisfied that Nitijela Bill No. 1 has been passed in accordance with the Constitution of the Marshall Islands and the Rules of the Nitijela.

I hereby place my signature before the Clerk of the Nitijela this 11th day of January, 2000.

ATTEST:



Litokwa Tomeing, Speaker
Nitijela of the Marshall Islands



Joe Riklon, Clerk
Nitijela of the Marshall Islands

SCHEDULES

REPUBLIC OF THE MARSHALL ISLANDS
FY2000 Expenditure Budget -
For the six month period ending 31 March, 2000

<u>RECURRENT GENERAL APPROPRIATIONS</u>	<u>SCHEDULE 1</u>
Total PRESIDENT & CABINET	\$463,550
Total ATTORNEY GENERAL	\$140,000
Total CHIEF SECRETARY	\$126,550
Total SPECIAL APPROPRIATION	\$3,644,500
Total COUNCIL OF IROJ	\$141,450
Total AUDITOR GENERAL	\$16,000
Total PUBLIC SERVICE COMMISSION	\$305,400
Total JUDICIARY	\$320,500
Total HEALTH & ENVIRONMENT	\$1,159,000
Total EDUCATION	\$1,853,500
Total RESOURCES & DEVELOPMENT	\$384,900
Total INTERNAL & SOCIAL WELFARE	\$393,400
Total JUSTICE	\$469,100
Total FINANCE	\$1,034,150
Total FOREIGN AFFAIRS	\$841,800
Total NITIJELA	\$445,100
Total TOBOLAR	\$250,000
Total CMI	\$450,000
Total MIDA	\$21,100
Total General Fund Recurrent Cost	<u>\$12,460,000</u>

Total COMPACT DESIGNATED	
EDUCATION	\$898,800
SECTION 216 – EDUCATION SCHOLARSHIP FUND	\$396,700
HEALTH & ENVIRONMENT	\$868,123
TRANSPOR & COMMUNICATION and V7AB	\$150,000
SEA PATROL	\$185,700
Subtotal COMPACT DESIGNATED RECURRENT	\$2,499,323
 Total KWAJALEIN TRUST FUND	 \$4,208,400
TOTAL RECURRENT COSTS	\$19,167,723
<u>NON-RECURRENT DEVELOPMENT</u>	<u>SCHEDULE 2</u>
 Total KADA	 \$2,172,600
<u>PRIOR YEAR APPROPRIATIONS</u>	<u>SCHEDULE 3</u>
 Total DEBT SERVICE	 \$10,117,458
<u>GRANTS</u>	<u>SCHEDULE 4</u>
AUDITOR GENERAL	\$622,750
HEALTH & ENVIRONMENT	\$959,000
EDUCATION	\$1,122,100
TOTAL GRANTS	\$2,703,850
 <u>SPECIAL REVENUE</u>	 <u>SCHEDULE 5</u>
JUSTICE	\$35,000
NATIONAL TRAINING COUNCIL	\$98,500
POSTAL SERVICE	\$131,193
Total SPECIAL REVENUE	\$264,693
 TOTAL ALL EXPENDITURES	 \$34,426,324

REVENUES

SCHEDULE 6

GENERAL FUND

Fuel Tax	\$200,000
Marshallese Income tax	\$1,361,875
Expat Income tax	\$1,550,000
Business Gross Revenue tax	\$2,238,125
Land Tax	\$125,000
Fishbase Rental	\$0
Ship Registry	\$400,000
Fishing Rights	\$2,500,000
Coin Sales	\$0
Other Misc.	\$125,000
Interest Income	\$175,000
Dividend Income	\$100,000
Weather Station Reimbursement	\$0
Hotel Resort Tax	\$100,000
Unanticipated Overseas Income	\$0
Airport exit fee	\$25,000
Import Tax	\$2,360,000
Reprogramming and Allocation	\$1,200,000
Total Fund 100	\$12,460,000

SPECIAL REVENUE FUNDS

SCHEDULE 7

Justice	\$35,000
National Training Council	\$98,500
Postal Service	\$131,193
Total Special Revenue	\$264,693

U.S. COMPACT FUNDS

SCHEDULE 8

Section 211-Current	\$232,500
Section 211-Capital	\$5,327,960
Section 213	\$950,000
Section 214(a)	\$1,000,000
Section 215	\$150,000
Section 216	\$850,400
Section 217	\$5,436,921
Section 221(b) Block grant	\$1,500,000
Section 211 KADA & Kwajalein	\$3,550,000
Compact Funds	\$18,997,781

OTHER GRANTS

SCHEDULE 9

U.S. Grants	\$2,604,350
Special Y2K Grant	\$99,500
Total Grants	\$2,703,850

Total All Funds **\$34,426,324**