

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

36TH CONSTITUTIONAL REGULAR SESSION, 2015

BILL NO.: 83ND2

P.L. 2015-44

AN ACT

To provide:

- (a) in accordance with Article VIII of the Constitution, for the issuance from the Marshall Islands General Fund, including funds provided under the Compact of Free Association, as Amended, and other funds, a total sum of \$177,178,480 to meet the expenditures of the Government for the Financial Year 2016, 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 expenditures approval under Section 5 of Article VIII of the Constitution; and
- (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 REPUBLIC OF THE MARSHALL ISLANDS:

Section 1. Short Title.

This Act may be cited as the Appropriations (Financial Year 2016) Act, 2015 and shall be deemed to have come into effect in accordance with Article IV, Section 21 of the Constitution and in accordance with the Rules of Procedures of the Nitijela.

1 Section 2. **Statement of National Objective.**

2 (1) It is the intention of the Government of the Republic of the Marshall Islands to enact and
3 implement a national budget for the whole of the Financial Year 2016 as provided in the FY
4 2016 Budget Schedule which includes the Economic Policy Statement attached as **Appendix A**
5 and **B** respectively.

6 (2) In this Act, a Medium Term Financial Management Framework (MTFMF) which is strategic
7 in nature, is provided as policy guidance for the Government of the Republic of the Marshall
8 Islands spending and as direction for budgeting process in the medium term, attached herewith as
9 **Appendix C** to this Act.

10

11 Section 3. **Interpretation.**

12 In this Act:

13 (1) “program area” means program areas set out in Schedules 1 to Schedule 5 as indicated
14 by the headings in those schedules.

15 (2) “unanticipated income” means any money, not being loan money, that:

16 (a) becomes available for expenditures from a source at a time when the Nitijela is
17 not in session; and

18 (b) has not been specifically included in the budget estimates for the Financial Year,
19 which the Cabinet is satisfied should, in the interests of the Republic of the
20 Marshall Islands, be expended before the expenditures could reasonably be
21 authorized by an Appropriation Act or a Supplementary Appropriation Act.

22

1 Section 4. **Appropriations from the Marshall Islands General Fund**

2 **Total Appropriation.**

3 The sum of \$61,860,821 is hereby appropriated, and may be withdrawn from the
4 Marshall Islands General Fund and expended pursuant to Article VIII of the
5 Constitution for program areas as set out in Schedule 1 – inclusive of the amount that
6 may be spent or payable under the continuing appropriation.

7
8 Section 5: **Appropriations from the Special Revenue Fund.**

9 **Special Revenue Funds.**

10 The sum of \$8,770,000 is hereby appropriated, and may be withdrawn from the Special
11 Revenue Funds as set out in Schedule 3 subject to Section 16 of this Act.

12
13 Section 6. **Compact Funds.**

14 (1) **Total Appropriations.**

15 All Funds provided under the Compact of Free Association, as Amended, in the amount
16 of \$79,392,606 shall be credited to the General Fund and shall be appropriated in
17 accordance with the relevant provisions and Schedule 2 of Appendix A of this Act.

18 (2) **Restrictions on Reprogramming of Compact Funds.**

19 Fund received under the Compact of Free Association, as Amended shall not be
20 transferred to any other activity, or reprogrammed or expended for any purpose during
21 the Financial Year other than the permissible uses of those funds as provided for in the
22 Compact of Free Association as Amended and its Subsidiary Agreements.

1 (3) **Lapse of Compact Funds.**

2 All moneys received under the Compact of Free Association, as Amended and
3 appropriated herein shall not lapse at the end of the Financial Year. However any unspent
4 funds thereof shall be returned to US Department of Interior and shall be regranted in the
5 subsequent year.

6 (4) **Unaudited entities and organizations.**

7 Notwithstanding the provisions of any other law or agreement, any entity or organization
8 receiving funds under the Compact of Free Association as Amended, shall not receive
9 such funding if the Auditor General or its contractors have determined that the books,
10 accounts and financial records of any such entity or organization have not been auditable
11 for the past three preceding fiscal years until such time as the Auditor General or its
12 contractor determine that such entity or organization has taken necessary corrective
13 action to render such books, accounts and financial records in an auditable condition to
14 permit a financial audit to proceed.

15

16 Section 7. **Appropriation of U.S. Federal Grants and other Foreign Grants.**

17 (1) The sum of \$27,155,053 being the total amount of special U.S. Federal Grants including
18 capital grants from the Republic of China (Taiwan), Asian Development Bank, Global
19 Fund, World Bank and UNFPA Fund is appropriated and may be withdrawn from the
20 Marshall Islands General Fund pursuant to Article VIII of the Constitution, for program
21 areas in accordance with Schedules 4 and 5, during the Financial Year.

1 (2) The amounts set out in Schedules 4 and 5 are not available for expenditure as
2 reprogrammed expenditure under Article VIII Section 7 of the Constitution, except as
3 authorized by or under the agreements with the donor nation and/or institution.

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

7
8 **Section 8. Funding of the Office of the Auditor General.**

9 (1) The Secretary of Finance shall withhold and deposit in the special account in the
10 Marshalls Islands General Fund, zero point eight percent (0.8%) of all amounts
11 appropriated in Schedules 1, 3 and 5, and the sum so withheld and deposited may be
12 withdrawn and expended by the Auditor-General in accordance with the budget
13 approved for his/her office by the Cabinet, for the operations and activities of his/her
14 office.

15 (2) The zero point eight percent (0.8%) of funds to be withheld and deposited under
16 Subsection 1 shall apply only to the General Fund in Schedule 1, Schedule 3 and
17 Republic of China (ROC) capital grants as appropriated in Schedule 5. Provided
18 however, any funds under Schedule 1, Schedule 3 and Schedule 5 which are not subject
19 to the zero point eight percent (0.8%) shall be identified by the Secretary of Finance
20 with the concurrence of the Minister of Finance pursuant to the Financial Management
21 Act.

22

1 Section 9. **Contingencies Fund.**

2 (1) In accordance with Article VIII, Section 9(1) of the Constitution, up to **\$200,000** is
3 authorized to be advanced against the General Fund for purposes of the Contingencies
4 Fund.

5 (2) Where, during the Financial Year, an amount of unanticipated income is received by the
6 Government for the purpose of an urgent and unforeseen need, the amount prescribed in
7 Subsection (1) for the Contingencies Fund is increased by the amount of that
8 unanticipated income, to meet such need.

9
10 Section 10. **Unanticipated Income.**

11 Where, during the Financial Year, an amount of unanticipated income is received by the
12 Government for a specified program area, other than as set out in Section 9 (2), that amount is
13 appropriated for the corresponding program area in Schedules as the case may be, and the
14 amount of the appropriation for that program area is increased accordingly.

15
16 Section 11. **Notification to the Cabinet by the Minister.**

17 When any money is received under Section 10 herein above, the Minister of Finance shall notify
18 the Cabinet of the receipt of such money, and such money shall not be expended without the
19 approval of the Cabinet.

20
21 Section 12. **Lapsing of Certain Appropriations.**

1 Any increase in the amount prescribed for the Contingencies Fund provided for by Section 9 (2)
2 ceases, and any increase in the amount of an appropriation affected by Section 10 lapses:

3 (a) on the effective date of the next Appropriation Act or Supplementary
4 Appropriation Act enacted after the date referred to in Section (1) of this Act;

5 or

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

8

9 Section 13. **Delegation of Authority to Approve.**

10 (1) For the purposes of Article VIII, Section 5 (1) of the Constitution, the authority to approve
11 expenditure in a program area in accordance with Schedules 1 to 5 is hereby delegated
12 to:

13 (a) The member of the Cabinet primarily responsible for that program area and;

14 (b) If the responsible member of the Cabinet so directs by instrument in
15 writing, and subject to any limitations imposed by the instrument and to
16 general control by the member, an appropriate person, authority, or agency;

17 (c) The Chief Justice of the High Court pursuant to the Judiciary Fund in
18 accordance with the provisions of 27 MIRC Chapter 1; or

19 (d) The Minister of Finance in particular to appropriations made under special
20 appropriations in schedule 1 and the Republic of China (Taiwan) in Schedule 5 of this
21 Act.

1 (2) Any expenditure other than in accordance with Schedule 1, 2, 3, 4 and 5 shall require the
2 approval of the Cabinet in accordance with Article VIII, Section 5(1) of the Constitution.

3
4 Section 14. Reprogramming of Funds.

5 Before any reprogramming of expenditure between program areas is approved under Article
6 VIII, Section 7 (1) of the Constitution, the Cabinet shall approve such reprogramming.

7
8 Section 15. General.

9 (1) In the event the actual receipts into the Marshall Islands General Fund fall short of the
10 total amount appropriated in Schedules 6, 7 and 8, the Cabinet pursuant to Article VIII,
11 Section 7 of the Constitution, may make the necessary adjustments to Schedules 1, 2, 3, 4
12 and 5 to accommodate the shortfall.

13 (2) All contracts awarded by the Government and associated agencies must comply with the
14 provisions of the Republic of the Marshall Islands Procurement Code. Funds will only be
15 released by the Ministry of Finance upon proof of compliance with the code.

16 (3) Gross Revenue Tax of 3% on all Government contracts will be withheld by the Ministry
17 of Finance at the time of payment, and credited against the contractor's liability to pay
18 gross revenue tax for the period of the payment. The contractor is still required to file a
19 tax for return for the period.

20 (4) All Government Ministries, statutory corporations and agencies must have been audited
21 and have complied with all the audit recommendations prior to receiving any quarterly
22 allocation. Any Government Ministries, statutory corporations and agencies unable to

1 comply with all the audit requirements must provide an expense report before release of
2 any funds.

3 (5) No funds appropriated under this Act shall be released to any Local Government,
4 statutory corporation or agency whose financial records have not been audited for the
5 past two preceding fiscal years, until such Local Government, statutory corporation or
6 agency has taken the necessary steps to render such records auditable, or provides a full
7 and complete report of its expenses to Cabinet.

8 (6) Any Government Ministry, statutory corporation and or agency that receive funds
9 appropriated under this Act or any other Act, or subsidies or any other government funds
10 shall enter into a Memorandum of Agreement with the Government in accordance with
11 Regulations and guidelines established by the Secretary of Finance pursuant to the
12 Financial Management Act.

13
14 Section 16. **Special Revenue Fund.**

15 Any money in excess of an appropriation made in Schedule 3 (Special Revenue Funds) may be
16 expended during the Financial Year only in accordance with terms of the Act establishing such
17 Special Revenue Fund.

18
19 Section 17. **Effective Date.**

20 This act shall take effect on the date of certification in accordance with Article IV, Section 21 of
21 the Constitution and in accordance with the Rules of Procedures of the Nitijela.

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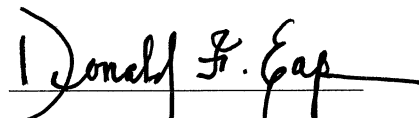
CERTIFICATE

I hereby certify:

1. That Nitijela Bill No.83ND2 was passed by the Nitijela of the Republic of the Marshall Islands on the 24th day of September, 2015; and
2. That I am satisfied that Nitijela Bill No.83ND2 was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.


I hereby place my signature before the Clerk this 30th day of September 2015.

Attest:



Hon. Donald F. Capelle

Speaker
Nitijela of the Marshall Island



Tarjo Arelong

Clerk
Nitijela of the Marshall Islands

APPENDIX A	
RECURRENT GENERAL FUND APPROPRIATIONS	
	Schedule 1
PRESIDENT & CABINET	1,701,730
Office of the President	340,386
President & Ministers	575,360
Cabinet Operations	459,742
V7AB	326,242
CHIEF SECRETARY	725,926
Administration	278,738
Deputy Chief Secretary-Ebeye Office	77,746
EPPSO	237,984
OEPPC	131,458
SPECIAL APPROPRIATIONS	28,811,502
Majuro Electricity	1,778,424
Land and Building Leases	955,768
International Subscriptions/Membership Fees	412,845
Copra Price Stabilization Subsidy (Tobolar)	600,000
Anne's Palace Final Payment	400,000
Anne's Palace Renovations	150,000
ADB Loan Repayment	4,071,270
Constitution Day - Majuro	10,000
Constitution Day - Ebeye	5,000
Centralized Utility Bills-Majuro	1,230,000
Centralized Utility Bills-Ebeye	72,049
Nuclear Victims Day	10,000
Nuclear Claim Tribunal	50,000
Constitutional Convention (CONCON)	800,000
Outer Island Solar Support	350,000
Micronesian Legal Service Corporation	75,000
Lease Housing	328,500
Prior Year Liability	2,278,488
PSC Training	30,000
Contingency Fund	200,000

<i>NTA</i>	1,500,000
MISC Ship Dry-dock	481,000
MISC Ship	1,700,000
Water Project	1,852,000
Public works Repair and Maintenance Majuro	69,939
Public works Repair and Maintenance Ebeye	46,000
MAWC	131,732
AMI	500,000
Trust Fund	3,300,000
National Energy Support Account	600,000
Marshall Shipping Corporation	1,270,247
Hot lunch	800,000
CMI Endowment	100,000
November 2015 Election	400,000
I-law software for Nitijela	100,000
Outer Island & Majuro Public Works Projects	350,000
Outer Island Economic Development Project	1,000,000
USP Renovation	500,000
Disaster Matching	3,240
Ebeye Public Works	20,000
Majuro Seaport Terminal	80,000
Senator's Office Rental	200,000
COUNCIL OF IROIJ	503,239
Administration	93,081
Council of Iroj Members	410,158
NITIJELA	1,903,408
Nitijela Operation	544,255
General Membership	1,087,809
Speaker's Contingency	88,452
Committee Expense	47,644
Legislative Counselors	135,248
AUDITOR GENERAL	583,646
Administration (0.8%)	-

Office of the Auditor General	83,646
Single Audit Match	500,000
FOREIGN AFFAIRS	3,322,521
Administration	878,120
Washington D.C. Embassy	386,057
RMI-USAKA Office	91,946
Honolulu Consulate	166,433
United Nations Mission - New York	425,232
Japan Embassy - Tokyo	447,668
ROC Embassy - Taipei	302,312
Fiji Embassy – Suva	253,228
Arkansas Consulate	122,743
Korea Embassy	248,782
PUBLIC SERVICE COMMISSION	474,379
Public Service Commission	95,875
PSC Administration	378,504
JUDICIARY	1,063,344
General Courts	783,117
Traditional Rights Court	144,773
Community Court	100,368
Judicial Service Commission	454
Judicial Fund	34,632
ATTORNEY GENERAL	835,942
Attorney General Office	614,073
Immigration – Majuro	174,783
Immigration – Ebeye	47,086
HEALTH	4,293,186
Health Administration	2,083,778
Kumit Wellness	-
Health Planning & Statistics	154,017
Majuro Hospital Medical Services	1,582,891
Kwajalein Atoll Hospital Services	472,500