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AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-16 and 5-88, by amending section 106 for the purpose of limiting the annual increase in the operations budget of the National Government, and for other purposes.

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

1       Section 1. Section 106 of title 55 of the Code of the Federated  
2 States of Micronesia is hereby amended to read as follows:

3               "Section 106. Appropriations by Congress.

4               (1) The Congress, after receipt of the proposed  
5 budget from the President and no later than August 29 of  
6 each year, shall by act, adopt the annual budget of the  
7 National Government of the ensuing fiscal year. In no event  
8 shall the budget adopted or any amendments thereto provide  
9 funding for the personnel, contractual services, or travel  
10 expenses of any branch or agency of the National Government  
11 in an amount greater than 110 percent of the aggregate  
12 funding appropriated for such branch or agency for such  
13 categories in the initial budget act of the immediately  
14 preceding fiscal year, except where funding in excess of  
15 such limit shall be deemed essential by the Congress on the  
16 face of the appropriating legislation.

17              (2) Congress may alter the budget submitted by  
18 the President in any respect.

19              (3) The budget alteration authority of Congress shall  
20 be executed by means of appropriations legislation.  
21 Appropriations or authorizations for the expenditure of funds  
22 shall be made by law, except as provided in section 108 of



1           this chapter.

2                   (4) Congress may restrict by law the expenditure of  
3           funds for a specific purpose."

4           Section 2. This act shall become law upon approval by the  
5   President of the Federated States of Micronesia or upon its becoming  
6   law without such approval.

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December 28, 1988

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John R. Haglelgam  
President  
Federated States of Micronesia

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