

DRAFT CSC, Title 19. Agriculture**CHAPTER 5
Coconut Authority**

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§ 1101. Statement of purposes.

The Legislature of Frak Chuuk State recognizes that products derived from the coconut tree are one of the major sources of income for the majority of the people of Frak Chuuk. Because the price of copra has been erratic on the world market in recent years, steps must be taken to preserve and revitalize this essential industry. The purpose of this Chapter is to establish a quasi-governmental authority to buy, process, manufacture and sell, at a profit, products derived from the coconut tree, to preserve and revitalize the copra industry, and to stabilize the price for copra within Frak Chuuk State.

Source: TSL 1-1-12, § 1, modified.

Editor's note: TSL 1-1-12 that created this Chapter was signed into law by the Governor on April 27, 1979.

§ 1102. Creation of Authority.

There is hereby created a quasi-governmental authority to be known as the Frak Chuuk State Coconut Authority, hereafter called the Authority, to buy, process, manufacture, and sell copra oils and other products derived from copra, coconuts, and the coconut tree, and to stabilize prices therefor within Frak Chuuk State.

Source: TSL 1-1-12, § 1(2), modified.

§ 1103. Principal office.

The Authority's principal office shall be located in Moen Weno and the Authority shall be deemed, for purposes of venue in civil actions, to be a resident thereof. The Authority may establish offices in such other places as it may deem necessary or appropriate for the conduct of its operations.

Source: TSL 1-1-12, § 1(3), modified.

§ 1104. General powers.

The Authority shall have the following general powers:

- (1) to engage in the purchase, manufacture, and processing of copra and oils and other products derived from copra, coconut, or the coconut tree;
- (2) to purchase or otherwise acquire, operate, maintain, lease, sell, and dispose of factories, warehouses, facilities, machinery, expellers, grinders, presses, filters, cookers, tanks, and other apparatus, raw materials, equipment, utensils, supplies, parts and other foods, wares, products,

and merchandise related to the business of manufacturing, storing, processing, and selling oils and other products derived from copra, coconuts, or the coconut tree;

(3) to improve and construct improvements upon any land or other real property owned or leased by the Authority;

(4) to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on such terms as it may deem appropriate;

(5) to buy, sell, hold for investment, and deal in securities of every description including mortgages, bonds, debentures, promissory notes, commercial papers, and securities of all classes;

(6) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid;

(7) to sue and be sued in its own name; provided, that neither the Ṛuk Chuuk State Legislature, Ṛuk Chuuk State Government or the Ṛust Territory government of the Federated States of Micronesia shall be liable for any debts of the Authority, nor shall any action be brought in any court against the Ṛuk Chuuk State Legislature or Ṛuk Chuuk State Government or the Ṛust Territory Government of the Federated States of Micronesia or any political subdivision thereof or the United States Government because of any activities, actions, or omissions of the Authority, its officers, employees or agents;

(8) to appoint such officers, attorneys, agents, and employees and vest them with such powers and duties, and to fix and pay such compensation to them for their services as the Authority may determine; to require bonds for the faithful performance of their duties and to pay the premium for such bonds;

(9) to execute in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers;

(10) to study, set, control, and subsidize prices for copra within Ṛuk Chuuk State;

(11) to inspect and improve and quality of copra;

(12) to appoint and employ agents to act on its behalf in the administration of this æt Chapter to receive money derived from copra stabilization;

(13) to administer and invest these funds;

(14) to work in cooperation with any and all copra stabilization boards and commissions or entities to assure stability in the world copra market; and

(15) to take such other actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it.

Source: TSL 1-1-12, § 1(4), modified.

§ 1105. Management of Authority.

(1) The Authority shall be managed and its powers exercised by the Board of Directors which shall consist of five persons appointed to terms of four years by the Governor with advise and consent of the Legislature. New appointments to a term of office shall be made in the same

manner as original appointments;

(2) Any vacancy occurring on the Board of Directors during a term of office shall be filled by appointment or election and any director so appointed shall serve for the unexpired term of the director he replaces;

(3) Any director may be removed from office by the Board of Directors for incompetence, neglect of duty, or any criminal act;

(4) Members of the Board of Directors shall be paid at the rate of thirty dollars per day when actually performing Authority business. If a member of the Board is concurrently employed in another post in the Government of the ~~Trust Territory~~ Federated States of Micronesia, or this State of ~~Truk Chuuk~~ he shall receive his regular salary during the period the Board is convened in lieu of compensation. Members will be paid per diem and travel expenses incidental to travel required to fulfill their responsibilities under this Chapter on the same basis as regular government employees;

(5) The Authority shall have at least the following officers: a Chief Executive Officer, a Treasurer, and a Secretary. These officers shall be appointed by the Board of Directors for a term of office which shall not exceed four years. No member of the Board shall simultaneously serve as an officer or an employee of the Authority. The officers of the Authority may be removed from office as provided in the bylaws of the Authority; and

(6) The Governor shall be acting chairman, whose only function shall be to call the first board meeting. At the first meeting of the Board of Directors, the members shall proceed to elect a chairman by majority vote. The chairman may be replaced by the affirmative vote of two-thirds of the members of the Board of Directors.

Source: TSL 1-1-12, § 1(5), modified.

§ 1106. Bylaws.

The Board of Directors, by an affirmative vote of a majority of the whole Board, may adopt, amend, alter or repeal such bylaws for the Authority as are not inconsistent with this Chapter, providing for the management of the business of the Authority, the regulation of its affairs, the organization, conduct and meetings of the Board of Directors, the duties of the officers of the Authority, the officers required to furnish bonds and the amounts thereof, and any other matter not inconsistent with the purposes of the Authority; however, provided, that the bylaws shall not be adopted, amended, altered or repealed at any meeting of the Board of Directors unless written notice of any proposed action of change in the bylaws has been sent by certified mail to each director two weeks prior to such meeting.

Source: TSL 1-1-12, § 1(6), modified.

§ 1107. Audit.

The books and records of the Authority shall be thoroughly examined and audited annually, at such time as the Governor may direct, by qualified independent auditors appointed by the Governor. An audit of the Authority may be conducted more frequently if deemed necessary by the Governor.

Source: TSL 1-1-12, § 1(7).

§ 1108. Tax exemption.

It is hereby found and declared that the purpose for which the Authority exists is a public purpose for the benefit of the people of ~~Truk~~ Chuuk, and that, therefore, the Authority shall not be required to pay any taxes or assessments on any of the property acquired or to be acquired by it, or on its operations or activities required by the laws of ~~Truk~~ Chuuk.

Source: TSL 1-1-12, § 1(8), modified.

§ 1109. Debts of Authority not public debts.

The debts or obligations of the Authority shall not be debts or obligations of the Government of the Trust Territory Federated States of Micronesia or any political subdivision thereof, or the Truk Chuuk State Legislature or Truk Chuuk State Government or the United States Government, and neither the Government of the Trust Territory Federated States of Micronesia or any political subdivision thereof, the Truk Chuuk State Legislature, or Truk Chuuk State Government nor the United States shall be responsible for the same.

Source: TSL 1-1-12, § 1(9), modified.

§ 1110. Annual reports.

The Authority shall file with the Governor and the Truk Chuuk State Legislature within 90 ~~ninety~~ days after the close of each fiscal year, a report sworn to by the members of the Board of Directors, stating the names and address of the Authority, containing a profit and loss statement for the preceding fiscal year, a statement of its assets and liabilities as of the close of such year, and the names and addresses of all directors and officers of the Authority. Such report shall be made available to the general public without charge.

Source: TSL 1-1-12, § 1(10), modified.

§ 1111. Willfully defrauding Authority.

Any director, officer, employee or agent of the Authority who embezzles, abstracts, or willfully misapplies any moneys, funds, credits or securities of the Authority, or who willfully makes any false entry in any book, report or statement of the Authority, or does any other act with intent to defraud the Authority, or any individual who knowingly aids or abet any director, officer, employee or agent in any violation of this Section shall be guilty of a felony and, upon conviction, shall be fined not more than \$5,000 or imprisoned for not more than two years, or both.

Source: TSL 1-1-12, § 1(11).

§ 1112. Copra stabilization.

The Authority shall act in cooperation with the Micronesian Copra Stabilization Board until such time as the Micronesian Copra Stabilization Board ceases to exist or no longer retains jurisdiction of copra sales within Truk Chuuk State. Nothing in this Aet Chapter shall be deemed to supersede Executive Order 115, but rather it is the purpose of this aet Chapter to create a Statewide Authority to work with the Micronesian Copra Stabilization Board until it can assume all responsibilities thereof.

Source: TSL 1-1-12, § 1(12), modified.

§ 1113. Revenues to be deposited into the General Fund.

All revenues derived from and any by-products of the Chuuk State Coconut Authority plant shall be deposited into the General Fund of the State to be available for appropriation for the operation of the plant.

Source: TSL 5-74, § 4, modified.

Editor's note: TSL 5-74 that created this section was signed into law by the Governor on October 12, 1983.