

## DRAFT CSC, Title 25. Maritime & Marine Resources

### CHAPTER 5 Chuuk Public Fisheries Corporation

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#### **§ 1401. Purpose.**

The purpose of this Act Chapter is to create a public corporation to promote the development of pelagic fisheries and related industries for the economic benefit of the people of Chuuk State.

**Source:** CSL 5-99-22, § 1.

**Editor's note:** CSL 5-99-22 that created this Chapter was signed into law by the Governor on March 1, 2000.

#### **§ 1402. Chuuk Public Fisheries Corporation established as a Public Corporation.**

There is established a public corporation to be known as the "Chuuk Public Fisheries Corporation," hereinafter "Corporation," subject to the laws of Chuuk State.

**Source:** CSL 5-99-22, § 2.

#### **§ 1403. Legal Capacity.**

The Corporation may engage in any commercial activity which will further the development of the fisheries industry in Chuuk State, including but not limited to, the authority to:

- (1) Establish, create, or enter into partnerships or other types of business ventures with any other person or entity;
- (2) Assume the duties, obligations, debts, or other liabilities or benefits of any existing purse-seining or marine-related entity, provided that an entity agrees in writing;
- (3) Incur indebtedness for the purposes of establishing improving, or maintaining purse-seining activities in which the Corporation or the State of Chuuk is involved;
- (4) Acquire, in any lawful manner, real, personal, or mixed property, either tangible or intangible, and to exercise any and all rights incident to the ownership of such property;

(5) Distribute surplus revenues to its sole shareholder, the State of Chuuk;

(6) Adopt and amend bylaw governing the conduct of its business and the exercise of its powers;

(7) Sue and be sued in its corporate name;

(8) Adopt, alter, and use a corporate seal;

(9) Appoint such officers and agents as the Corporation may require, and to act as an agent for any other person or entity;

(10) Hire, train, and terminate employees, and to promote the training of Chuukese citizens in skills related to the fisheries industry;

(11) Conducts, its business, establish offices, and exercise the powers granted herein in any State or Territory of the Federated States of Micronesia or in any foreign country;

(12) Permit the Corporation to be registered or recognized in any State or Territory of the Federated States of Micronesia or in any foreign country;

(13) Exercise other powers and duties as may be prescribed by law, or are incidental, necessary, and proper to accomplish the duties, functions, and purpose of the Corporation.

**Source:** CSL 5-99-22, § 3.

#### **§ 1404. Board of Directors.**

The administration and management of the Corporation shall be controlled and its corporate powers exercised by a Board of Directors, hereinafter called "the Board"

**Source:** CSL 5-99-22, § 4.

#### **§ 1405. Board of Directors; composition.**

The Board shall be composed of five members:

(1) One member representing the Chamber of Commerce, to be appointed by the Governor of Chuuk State;

(2) Two members, one appointed by the President of the Senate and one appointed by the Speaker of the House of Representatives;

(3) The Director of the Department of Marine Resources; and

(4) The Director of the Department of Commerce and Industry.

**Source:** CSL 5-99-22, § 5.

#### **§ 1406. Board of Directors: Terms: Removal: Vacancies.**

Members appointed under Section 1405(a 1) and (b 2) of this Chapter shall serve on the Board during good behavior, or until such a time that the appointing official is replaced by another elected official who wishes to make his own appointment to the Board. Members appointed under Section 1405 © 3) and (d 4) of this Chapter shall serve on the Board during good behavior and for the duration of their appointments to their respective departments. Any Board member may be removed for cause by a two-thirds majority vote of its membership. Vacancies created by death, resignation, incapacitation, or removal shall be filled in the same manner as provided in Section 1405 of this Chapter and for the duration of the term so filled.

**Source:** CSL 5-99-22, § 6, modified.

**§ 1407. Board of Directors: Organization.**

Within 45 days after the initial Board members are appointed, the Board shall hold its first organizational meeting and shall elect from its members a Chairman, Vice-Chairman, and Secretary/Treasurer. Until the Board has completed such elections, the oldest appointed member shall be the Chairman.

**Source:** CSL 5-99-22, § 7.

**§ 1408. Board of Directors: Meeting.**

Regular meetings of the Board shall be held at least once per calendar quarter, and at such other times as shall be determined by the bylaws, or by a majority of all the Board members. A special meeting may be called by a written petition of the majority of the Board members, pursuant to notice as shall be provided in the bylaws.

**Source:** CSL 5-99-22, § 8.

**§ 1409. Board of Directors: Meetings: Minutes.**

The Secretary-Treasurer or his designee, as may be provided in the bylaws, shall keep full and accurate minutes of all Board meetings. Meeting minutes shall be kept at the Corporation's headquarters and shall be made available for reasonable inspection upon request of any member of the public.

**Source:** CSL 5-99-22, § 9.

**§ 1410. Board of Directors: Quorum.**

Three members present in a meeting shall constitute a quorum for the transaction of business for the Board.

**Source:** CSL 5-99-22, § 10.

**§ 1411. Board of Directors: Compensation.**

Members of the Board who are employees or officials of the National, State, or a Municipal Government shall receive no additional compensation for their services, but may instead receive an allowance of \$35.00 per meeting day. All other Board members shall receive \$75.00 compensation per meeting day, as well as the \$35.00 per day allowance. All members of the Board shall be entitled to travel and per diem expense while traveling on the business of the Corporation, at rates established by the Chuuk State Government.

**Source:** CSL 5-99-22, § 11 .

**§ 1412. Employees of the Corporation.**

(1) The Corporation may employ a full-time Executive Director to manage the daily operation of the Corporation. The Executive Director shall be appointed by a majority vote of the entire membership of the Board. The compensation, terms, and conditions of employment shall be determined by the Board. The Executive Director may be removed by a majority vote of the entire membership of the Board.

(2) The Executive Directors may hire, subject to the approval of the majority of the Board, such support staff as he deems necessary and proper to effectuate the purpose of this Act Chapter. The employees of the Corporation shall be exempt from the provisions of the Chuuk State Public Service Act.

**Source:** CSL 5-99-22, § 12.

**Cross-reference:** The Chuuk State Public Service Act is codified in [Chapter 1 of Title 9](#) of this Code.

### **§ 1413. Account and Records.**

(1) The Chairman of the Board, not later than 30 ~~thirty~~ days after the close of each governmental fiscal quarter, shall submit to the Governor and to the Legislature of Chuuk State a report showing activities during the quarter, the present financial status and condition of the Corporation, and such other matters as the Board deems appropriate, or as requested by the Governor or the Legislature.

(2) The Board shall appoint a certified public accountant to audit the financial records of the Corporation annually. A copy of the audit shall be transmitted to the Governor and to the Legislature within 14 days of its completion, but in no event later than 60 ~~sixty~~ days following the close of the fiscal year.

**Source:** CSL 5-99-22, § 13.

### **§ 1414. Budget Preparation.**

The Executive Director shall prepare in advance of each fiscal year an annual budget for the Corporation, taking into consideration-anticipated capital, anticipated revenue, and operational expenditures. The budget shall be met with anticipated revenues of the Corporation, and shall detail those requirements, which cannot be met without an increase in the rate of revenue or outside financial assistance. After approval of the prepared budget by the Board, the Executive Director shall submit the budget to the Governor of Chuuk State and to the Senate President and Speaker of the House of Representatives of the Chuuk State Legislature on or before August 15 of each year.

**Source:** CSL 5-99-22, § 14.

### **§ 1415. Fiscal Year.**

The Corporation shall use the same fiscal year as that used by the State of Chuuk.

**Source:** CSL 5-99-22, § 15.

### **§ 1416. Corporate Debts and Obligations.**

Unless otherwise expressly provided by law, neither the Chuuk State Government nor any of its assets, including but not limited to: real property and/or improvements thereon, personal property, intangible property, and cash assets, shall be liable or in any manner responsible for any debts incurred by or obligations imposed upon the Corporation.

**Source:** CSL 5-99-22, § 16.

### **§ 1417. Disposal of Net Profits.**

The Corporation shall deposit into the General Fund of the Chuuk State Treasury no less than 50 percent of the net profit generated each fiscal year of its operation, provided further that any revenue generated by the business of the Corporation shall be considered revenue of the State of Chuuk.

**Source:** CSL 5-99-22, § 17.

### **§ 1418. Tax Liability.**

The Corporation exists and operates solely for the benefit of the public and shall be exempt from any State or Municipal taxes or assessments on any of its property, operations, or activities. Such a tax-exempt status shall not be applicable in those situations where the Corporation associates itself with a joint venture or other type of partnership with a foreign corporation, partnership or person. Nothing herein shall be deemed to exempt employees and independent contractors of the Corporation from tax liability for services rendered to the Corporation.

**Source:** CSL 5-99-22, § 18.

