

THE SIXTEENTH LEGISLATURE OF AMERICAN SAMOA

Second Regular Session

Begun and held at Fagatogo, Tutuila, American Samoa on Monday, the ninth day of July one thousand nine hundred and seventy-nine

AN ACT APPROPRIATING AN ADDITIONAL \$3,441,000 FROM FISCAL YEAR 1979 LOCAL REVENUES AND THE INCOME TAX RESERVE FUND TO BALANCE THE PRIOR YEARS' GENERAL FUND DEFICIT; TO PROVIDE FUNDING FOR ALREADY APPROVED OPERATING AND CAPITAL IMPROVEMENT PROGRAMS; TO FUND BADLY NEEDED ADDITIONAL REQUIREMENTS FOR FISCAL 1979; TO PROVIDE FOR CONTINGENCIES IN THE EVENT OF A YEAR-END DEFICIT; TO RESCIND CERTAIN FISCAL YEAR 1979 CAPITAL IMPROVEMENT PROGRAMS TO PREVENT DEFICIT SPENDING; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

PREAMBLE:

This act if effective upon passage and approval due to the emergency need to meet operational and capital improvement programs for fiscal year 1979.

BE IT ENACTED BY THE LEGISLATURE OF AMERICAN SAMOA:

Section 1. The following additional local revenues for fiscal year 1979 and the balance in the income tax reserve fund as provided for in 34 ASC 208 shall be appropriated for the specific purposes detailed in §2 of this act.

<u>Index</u>	<u>Description</u>	<u>Amount</u>
Schedule I (\$7)	Additional FY 1979 Local Revenue	\$2,441,000
Schedule II (\$8)	Income Tax Reserve Fund	<u>1,000,000</u>
	TOTAL	<u>\$3,441,000</u>

Sec 2. Funds identified in §1 of this act shall be earmarked and used for the following purposes.

<u>Index</u>	<u>Description</u>	<u>Amount</u>
Schedule III (\$9)	Fund already approved operating and CIP Programs for FY 1979	\$2,319,000
Schedule IV (\$10)	Prior years' General Fund Deficit	458,679
Schedule V (\$11)	Fiscal Year 1979 Additional Requirements	310,000

Schedule VI	Reserve for Fiscal Year 1979	
(\$12)	Contingencies	353,321
	TOTAL	<u>\$3,441,000</u>

Sec 3. The following capital improvement program for fiscal year 1979 is hereby rescinded to prevent deficit spending.
P.L. 15-103 Local Match For Sewer Grant \$392,500

Sec 4. The Reserve for Fiscal Year 1979 Contingencies earmarked under § 2 of this act shall be used only to offset any general fund deficit at the end of fiscal year 1979. Any unused portion of these funds at year end shall revert to the Income Tax Reserve Fund.

Sec 5. In the case of operating programs, any unobligated funds at the close of fiscal year 1979 shall lapse and revert to the General Fund to be available for future appropriation by the Legislature.

Sec 6. In the case of capital improvement programs, any unobligated funds at the close of fiscal year 1979 shall carry forward and be available for use until completion of the program for which the funds were appropriated.

Sec 7.

SCHEDULE I

Increase in Local Revenue Estimates
for
Fiscal Year 1979

Revised Estimates as of 6/30/79	\$17,031,541
Add: Estimated Liquor store revenues	400,000
Less Adjustments to Estimates:	<u>\$17,431,541</u>
(1) Corporate income taxes \$ 700,000	
(2) Individual income taxes (301,541)	<u>(1,001,541)</u>
Adjusted Revised Estimates	\$16,430,000
Less: Original Local Revenues Estimate	(13,989,000)
Estimated Additional Local Revenues	<u>\$ 2,441,000</u>

Sec 8.

SCHEDULE II

Income Tax Reserve

Section 34 ASC 208 now reads:

"§ 208. Income tax reserve account

(a) The Governor shall establish an "Income Tax Reserve Account" promptly upon the enactment of the Samoan Income Tax Act and shall deposit in such account 25 percent of all corporate income taxes, as and when collected, unless at the time of collection the reserve account shall have a net balance of not less than \$1,000,000.

(b) The reserve account shall constitute a trust fund out of which refunds and other adjustments shall be made in favor of any corporation subject to the Samoan Income Tax Act.

(c) The money in the reserve account shall remain in a segregated status unless the legislature of American Samoa authorizes its use for other purposes and provides for reimbursement of the account as and when needs."

The Account balance at 30 September 1978 \$ 1,000,000

Sec 9. SCHEDULE III

Operating and Capital Improvement Programs
for
Fiscal Year 1979

Local revenues appropriated to date
for operations, capital improvements, matching funds and
special programs:

P.L. 15-103	FY 1979 Appropriation Act	\$13,585,500
P.L. 15-109	FY 1978 Excess Revenues	4,000,000
P.L. 16-6	FY 1979 First Supplemental	190,000
P.L. 16-28	District Court funding	25,000
	<u>Total local revenues appropriated</u>	<u>\$17,800,500</u>
	Less: FY 1979 CIP's Rescinded	(1,492,500)
	<u>Revised total of local revenues appropriated</u>	<u>\$16,308,000</u>
	Original estimate of FY 1979 local revenues per P.L. 15-103	<u>13,989,000</u>
	<u>Additional FY 1979 local revenues required to fund approved programs</u>	<u>\$ 2,319,000</u>

Sec 10. SCHEDULE IV

Prior Years' General Fund Deficit

Prior Years' general fund deficit carried over as September 30, 1979	\$ 1,870,079
Less: Local CIP's rescinded (See HB #142)	- 1,411,400
<u>Balance to be offset</u>	<u>\$ 458,679</u>

Sec 11. SCHEDULE V

Fiscal Year 1979 2nd Supplemental Appropriation Request

OPERATING PROGRAMS

Contingency and Emergency Fund	\$ 100,000
Legislature:	
Senate	\$40,000
House	40,000
Legislative Reference Bureau	35,000
Legislative Financial Office	6,500
Delegate-at-Large	10,000
Office of Program Planning & Budget Development	<u>131,500</u>
Community College	20,000
Vehicle Purchase	18,500
	30,000
<u>TOTAL OPERATING PROGRAMS</u>	<u>300,000</u>

CAPITAL IMPROVEMENT PROGRAMS

School Buses	\$ 10,000
<u>TOTAL SUPPLEMENTAL REQUEST</u>	<u>310,000</u>

Sec 12. SCHEDULE VI

Reserve for Fiscal Year 1979
Contingencies

Proposed Reserve	<u>\$353,321</u>
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It is proposed that this amount be reserved to offset any deficiency in the general fund at the end of fiscal year 1979 should it occur. Any unused portion of these funds will revert to the Income Tax Reserve Account when the fiscal year 1979 books are closed.

Sec 13. Effective date

This act is effective upon passage and approval due to the emergency need to meet operational and capital improvement programs for fiscal year 1979.

Galea'i P. Poumele
GALEA'I P. POUMELE
President of the Senate

Tuana'itau F. Tuia
TUANA'ITAU F. TUIA
Speaker of the House

Hereby Approved this 20TH day of August, 1979

Peter Kolman
Governor of American Samoa