
AN ACT

To reserve one percent (1%) or \$600,000 of unrestricted local revenue collections from the preceding Fiscal Year for the purpose of funding the Public Auditor's Office specifically to perform all duties required under Article XII, Section 2(b) of the Republic's Constitution; to amend the classifications of individuals receiving refunds of the Pristine Paradise Environmental Fee; to appropriate funds to the Bureau of Public Safety; and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIL ERA KELULAU DO ENACT AS FOLLOWS:

1 Section 1. Legislative Findings.

2 The Olbil Era Kelulau finds that Article XII, Section 2(b) of the Republic's
3 Constitution requires the Public Auditor to inspect and audit accounts in every
4 branch, department, agency, or statutory authority of the national government and in
5 all other public legal entities or nonprofit organizations receiving public funds from
6 the national government. RPPL 9-9 clarified the duties of the Public Auditor to
7 include an annual audit and report of each state legislature and governor's office, in
8 accordance with both the Republic's and various State Constitutions. RPPL 9-9 also
9 directed the Public Auditor to promulgate regulations establishing clear and concise
10 rules to guide the States in accounting measures of responsibility.

11 The audits the Public Auditor is directed to perform are very important as
12 they can show whether the entity is following sound procurement practices; acquiring
13 the appropriate type, quality, and amount of resources at an appropriate cost;
14 protecting and maintaining its resources; avoiding duplication of effort; and using
15 efficient operating procedures. Performance audits are an objective and systematic
16 examination of evidence for the purpose of providing an independent assessment of
17 the performance of a government organization, program, activity, or function, in
18 order to provide information to improve public accountability and facilitate decision-
19 making by parties with responsibility to oversee or initiate corrective action.
20 Performance audits can include economy and efficiency and program audits, which
21 can assist in determining the effectiveness of the entity; whether the agency has

1 complied with applicable laws and regulations; and the causes of inefficiencies or
2 uneconomical practices.

3 The Olbiil Era Kelulau further finds that the Office of the Public Auditor lags
4 behind in its prescribed duties. This lag is due, in part, to lack of funding to hire
5 additional staff with the requisite education, skills, and experience necessary to assist
6 the Office of the Public Auditor in its duties, as required by the Constitution. As
7 such, the Olbiil Era Kelulau finds it prudent to allocate additional funds to the Office
8 of the Public Auditor, to enable and facilitate the Office in fulfilling its required
9 duties, including hiring additional staff, training States in accounting principles, and
10 promulgating regulations.

11 The Olbiil Era Kelulau finds that it is appropriate to reserve one percent of all
12 unrestricted local revenues to the Office of the Public Auditor. The Office of the
13 Public Auditor serves many agencies within the national government and it is fitting
14 that the national government assist the Office of the Public Auditor by providing
15 sustained funding, so that the Office can adequately perform its duties.

16 The Olbiil Era Kelulau finds that the Pristine Paradise Environmental Fee
17 provisions should be amended to prohibit nonresident workers from receiving a
18 refund of the fee. Nonresident workers enjoy the benefits of living and working in the
19 Republic and should be participants in the mechanism designed to sustain the health
20 of our environment. The Olbiil Era Kelulau further finds that those traveling on a
21 ticket purchased with funds originating from the National Treasury should not
22 receive a refund of the Pristine Paradise Environmental Fee.

23 Section 2. Repealer. Section 251 of Title 40 of the Palau National Code is
24 hereby repealed.

25 Section 3. Amendment. Title 40 is hereby amended to add a new Section 251 as
26 follows:

27 "§ 251. Budget.

28 (a) The Public Auditor shall transmit his proposed budget in the form and
29 manner specified by the President.

1 (b) Beginning in Fiscal Year 2019 the lesser of \$600,000 or one percent (1%)
2 of all unrestricted local revenues from the preceding Fiscal Year, shall be reserved
3 for the Office of the Public Auditor to perform all duties required under Article XII,
4 Section 2(b) of the Republic's Constitution. These funds shall be authorized and
5 appropriated to the Office of the Public Auditor through the unified budget process.
6 This funding is not subject to reprogramming, and is restricted solely for the use of
7 the Public Auditor for the performance of his duties as required by Article XII,
8 Section 2(b). The Office of the Public Auditor shall report a detailed account of the
9 use of the funds to the President and the Olbiil Era Kelulau, no later than ninety (90)
10 days after the close of each Fiscal Year."

11 Section 4. Amendment. Section 3413 of Title 24 of the Palau National Code,
12 as amended by RPPL 10-12, is hereby further amended as follows:

13 "§ 3413. Environmental Protection Fee ("Green Fee").

14 (a) Every passenger entering the Republic shall be assessed, and shall pay, an
15 environmental protection fee (the "Green Fee") of thirty dollars (\$30); provided that
16 persons traveling on a passport issued by the Republic of Palau, diplomats, transit
17 passengers, and masters, pilots, and other crew members of any vessel or aircraft
18 lawfully operating as a common carrier, are to be refunded said fee. The money
19 generated from collection of the green fee shall be deposited into two separate
20 accounts within the National Treasury that shall be separate and distinct from all
21 other accounts as set forth in subsection (c) below. Nothing in this Act shall preclude
22 the states from collecting tourist and visitor fees for visiting or using state resources
23 and sites, including Protected Areas Network ("PAN") sites.

24 ..."

25 Section 5. Amendment. Section 2704 of Title 40 of the Palau National Code, as
26 amended by RPPL 10-12, is hereby further amended as follows:

27 "§ 2704. Refunds of Pristine Paradise Environmental Fee.

28 (a) The following categories of people shall be refunded the Pristine Paradise
29 Environmental Fee:

30 (1) Palauan citizens;

- 1 (2) Spouses of Palauan citizens;
2 (3) Pilots and other crew members of any aircraft lawfully operating as
3 a common carrier;
4 (4) Diplomats carrying a diplomatic passport; and
5 (5) Transit passengers.

6 (b) Individuals traveling on a ticket purchased with funds originating from
7 the National Treasury shall not be refunded the Pristine Paradise Environmental Fee.

8 (c) The Minister of Finance shall have the authority to designate additional
9 categories of people who shall be refunded the Pristine Paradise Environmental Fee
10 through regulation.”

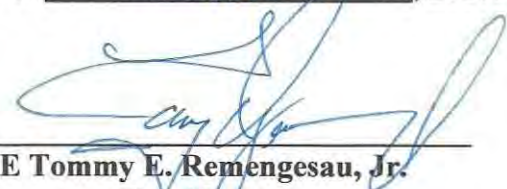
11 Section 6. Appropriation for the Bureau of Public Safety.

12 The sum of \$63,100 is authorized for appropriation and is hereby
13 appropriated to the Bureau of Public Safety for the purpose of funding the minimum
14 ambulance equipment and staffing standards enacted in RPPL 10-9. The entire
15 amount of funds authorized and appropriated in this section shall be non-lapsing and
16 shall come from the Non-Communicable Diseases Fund codified in Section 1308 of
17 Title 40 of the Palau National Code.

18 Section 7. Effective date. This Act shall take effect upon its approval by the
19 President of the Republic of Palau, or upon becoming law without such approval.

PASSED: November 7, 2017

Approved this 22ND day of NOVEMBER, 2017.



HE Tommy E. Remengesau, Jr.
President
Republic of Palau