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BE IT ENACTED BY THE CONGRESS OF MICRONESIA:

1 Section 1. Short Title. This act shall be known as
2 the "Public Land Transfer Act of 1974."

3 Section 2. Purpose. The purpose of this act is to
4 effectuate the provisions of the Public Land Policy Paper
5 of the United States Government dated November 2, 1973; to
6 authorize and empower each of the six district legislatures
7 to create or to designate a legal entity or entities within
8 its district to hold title to public lands within that
9 district in trust for the people thereof and to manage and
10 to control the same; to authorize and empower each district
11 legislature to establish adjudicatory bodies which may utilize
12 traditional means, when desired, for settlement of title to
13 lands transferred; and to authorize and direct the High Com-
14 missioner to convey permanently certain public lands within a
15 district to such legal entity or entities.

16 Section 3. Definitions. As used in this act, unless it
17 is otherwise provided or the context requires a different
18 construction, application or meaning:

19 (1) "District" means any of the six administrative
20 districts of the Trust Territory of the Pacific Islands as
21 described in Section 1, Title 3, of the Trust Territory Code.

22 (2) "District Legislature" means any of the six chartered
23 district legislatures of the Trust Territory of the Pacific
24 Islands.

25 (3) "Public Lands" means:

26 (a) Those lands defined as public lands by Sections
27 1 and 2, Title 67, of the Trust Territory Code, and,

1 (b) Those lands placed under control of the
2 "Alien Property Custodian" as defined by Section 1, Title 27,
3 of the Trust Territory Code.

4 ~~(c) Entering into contracts, bringing suit, being~~
5 ~~sued, and exercising such other powers as may be necessary or~~
6 ~~appropriate in furthering the purposes of this act.~~

7 (4) "Legal Entity" means any charter district govern-
8 ment, non-profit corporation (either public or private), indivi-
9 dual, association, partnership, or any lawful person (whether
10 natural or artificial), legally competent to receive and hold
11 title to real and personal property pursuant to law.

12 Section 4. Authority of District Legislatures. Each
13 district legislature is hereby empowered to enact laws to:

14 (1) create or designate a legal entity or entities which
15 shall have the powers and duties of:

16 (a) receiving and holding title to public lands in
17 trust for the people of the district;

18 (b) administering, managing, and controlling such
19 public lands and income arising therefrom in trust for the
20 people of the district, including the sale, lease, exchange,
21 use, dedication for public purposes, or other disposition of
22 such public lands pursuant to the laws of the Trust Territory
23 of the Pacific Islands and of the district; and

24 (c) entering into contracts, bringing suit, being
25 sued, and exercising such other powers as may be necessary or
26 appropriate in furthering the purposes of this Act;

27 and establish reasonable procedures of general applicability
28 for the exercise of such powers and duties.

29 (2) establish an adjudicatory body to resolve claims
30 and disputes to land transferred to such legal entity or
31 entities, provided however, that no such body shall ever
32 endeavor to redetermine any matter already decided between the

1 same parties or those under whom the present parties claim
2 by a court judgment, Land Title Officer's determination of
3 ownership or Land Commission determination of ownership.
4 Such bodies shall accept such prior determinations as binding
5 on such parties without further evidence than the judgment
6 or determination of ownership. All adjudications of the body
7 shall be recorded with the District Registrar and with the
8 Clerk of Courts.

9 (3) establish procedures for the operation of such
10 adjudicatory body which may include traditional means not in
11 conflict with existing law, provided however, that require-
12 ments of due process are incorporated therein which shall
13 include trial de novo upon appeal to the High Court by any
14 party to such a dispute aggrieved by the adjudication of
15 the district adjudicatory body.

16 (4) authorize the legal entity or entities created or
17 designated pursuant to subsection (1) hereof to exercise the
18 right of eminent domain for public use pursuant to district
19 law and establish procedures therefor.

20 (5) establish a program for homesteading on the land
21 transferred to the legal entity or entities created or
22 designated pursuant to subsection (1) hereof and authorize
23 such legal entity or entities to administer such program.

24 Section 5. Authority of the High Commissioner. Subject
25 to the other provisions of this act, the High Commissioner is
26 authorized and directed to convey to the legal entity or entities
27 created or designated pursuant to Section 4(1) in any district
28 all right, title and interest of the Trust Territory of the
29 Pacific Islands, including the right to receive rents, royalties
30 and other similar payments, in and to all public lands and other
31 lands in such district. All rents, royalties and other revenues

1 derived from such land, accrued from the effective date
2 hereof until the date of conveyance, shall be payable on the
3 date of conveyance to the legal entity or entities to which
4 the lands are transferred.

1 Section 6. Reservations. Notwithstanding the pro-
2 visions of Section 5 of this Act, the High Commissioner
3 shall not convey any interest in lands in the following
4 categories to the district's legal entity or entities, to
5 wit:

6 (1) ^{interests in} All public lands and interests in other lands
7 actively used by the central government of the Trust Ter-
8 ritory of the Pacific Islands or by agencies or instru-
9 mentalities thereof as of the effective date of this act.
10 Such ~~lands and~~ ^{interests in} ~~interests in other lands~~ in a district shall
11 be transferred to the respective district's legal entity or
12 entities immediately upon a determination by the High Commis-
13 sioner that such ~~lands~~ ^{interests in} are no longer needed for active use
14 by the central government.

15 (2) ^{interests in} Public lands specifically determined by the High
16 Commissioner to be needed within a period of five years from
17 the effective date hereof for capital improvement projects
18 announced before the effective date hereof. Such ^{interests in} public lands
19 in a district shall be transferred to the respective district's
20 legal entity or entities immediately upon a determination by
21 the High Commissioner that such ^{interests} ~~lands~~ are no longer needed
22 for capital improvement projects.

23 (3) Public lands to which there are unperfected home-
24 stead claims ^{based upon applications for homesteads approved prior to the effective} as of the effective date hereof, provided however,
25 that if such claims are not perfected within the time periods
26 prescribed by Sections 207 and 208 of Title 67 of the Trust
27 Territory Code, such lands in each district shall immediately
28 be transferred to that district's legal entity or entities.

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1 (4) All public lands in each district identified
2 by the United States as required to meet defense needs
3 under the terms of future political status arrangements
4 with the United States, unless the district's legal entity
5 or entities agree to enter into covenant with the United
6 States to provide for the accommodation of such needs in
7 the future.

8 Section 7. Limitations. Notwithstanding the pro-
9 visions of Section 5 of this act, the High Commissioner
10 shall not convey any public land or interest in other land
11 to any district entity or entities unless the district's
12 legal entity or entities agree or the district legislature
13 enacts legislation providing, until the termination of the
14 Trusteeship, for:

15 (1) reservation of the paramount and ultimate power
16 of eminent domain in the central government of the Trust
17 Territory of the Pacific Islands;

18 (2) reservation of the right of the central govern-
19 ment of the Trust Territory of the Pacific Islands to regu-
20 late all activities affecting the public interest in and to
21 tidelands, filled lands, submerged lands and lagoons;

22 (3) compliance with all valid and enforceable provi-
23 sions of leases, and land use agreements with respect to
24 such lands previously entered by the Government of the Trust
25 Territory of the Pacific Islands, its agencies, or its
26 political subdivisions;

1 (4) continuation of possession by tenants at will
2 and of tenants by sufferance occupying public land as of
3 the date of the conveyance thereof for a reasonable period
4 of time to be determined by the High Commissioner.

5 (5) all transfers and conveyances to be subject to
6 all unresolved claims relating to such land;

7 (6) holding the United States Government and the
8 Government of the Trust Territory of the Pacific Islands
9 and their agencies or political subdivisions harmless from
10 any and all claims with respect to the conveyed land,
11 ~~arising prior to the transfer of the land,~~ other than those
12 claims resulting directly from the actions of the United
13 States Government, The Government of the Trust Territory of
14 the Pacific Islands or from the agents of either.

15 Section 8. Time of Transfer and Conveyance. The High
16 Commissioner shall convey or cause to be conveyed all right,
17 title and interest of the Trust Territory of the Pacific
18 Islands to all public and other lands not required to be
19 reserved by Section 6 to the legal entity or entities in each
20 district created or designated pursuant to Section 4 within
21 60 days after ^{the High Commissioner determines that} the district legislature and such entity or
22 entities have complied with the provisions of Section 7; and
23 such transfer shall not be dependent upon compliance in any
24 of the other districts. Within 60 days after any land subject
25 to Section 6 is no longer required to be reserved by the terms
26 thereof, the High Commissioner shall convey such land or cause
27 it to be conveyed to the respective district's legal entity or
28 entities, if ^{he determines that} the district legislature and the entity or entities
29 have complied with the provisions of Section 7 of this act.

Section 9. Amendments.

(1) Section 2, Title 10, Trust Territory Code is amended to read as follows:

"Section 2. Power denied private corporations. No private corporation except as authorized by a district legislature pursuant to the provisions of the Public Land Transfer Act of 1974 shall have the right of eminent domain in the Trust Territory."

(2) Section 112, Title 67, Trust Territory Code, is hereby amended to read as follows:

"Section 112. Conduct of hearings. In conducting hearings, each Land Commission and each land registration team shall be guided by, but need not conform to, the Trust Territory Rules of Civil Procedure and the Rules of Evidence. Each Commission and each registration team is authorized to consider such evidence as will be helpful in reaching a just decision. Neither a Commission nor a land registration team, however, shall endeavor to redetermine any matter already decided between the same parties or those under whom the present parties claim, by a court judgment, Land Title Officer's Determination of Ownership or adjudication of any other statutorily established land adjudicatory body. All Commissions and land registration teams shall accept such prior determinations as binding on such parties without further evidence than the judgment or determination of ownership. All hearings shall be public and every person claiming an interest in land under consideration shall be given an opportunity to be heard. Hearings must be held in the municipality in which the land involved lies and

when practicable shall be held in the village in which or near which the land lies. All parties, including any representative (appointed under Section 113 of this Chapter or by a court or other proper authority) of a minor or incompetent, may be represented and assisted by counsel."

(3) Section 11101, Title 57, Trust Territory Code is hereby amended to read as follows:

"§ 11101. Restrictions upon land ownership. Only citizens of the Trust Territory or corporations owned wholly by, or nonprofit membership corporations all of whose members are, citizens of the Trust Territory may hold title to land in the Trust Territory; PROVIDED, that nothing herein shall be construed to divest or impair the right, title, or interest of noncitizens or their heirs or devisees, in lands in the Trust Territory held by such persons prior to December 8, 1941, and which have not been vested in the Alien Property Custodian by Vesting Order dated September 27, 1951, or, if vested, are released from the terms of said order by direction of the High Commissioner; PROVIDED FURTHER, that nothing herein shall be construed to prevent the Government of the Trust Territory from holding title to lands in the Trust Territory; AND PROVIDED FURTHER, that this Section shall not apply to cooperative associations and credit unions duly organized and incorporated pursuant to the laws of the Trust Territory."

(4) The second sentence of Section 102, Title 2, Trust Territory Code is amended to read as follows:

23 "No law shall be passed by the Congress imposing
24 any tax upon property of the United States or property of
25 the Trust Territory of the Pacific Islands or property of
26 any district legal entity held in trust for the people of
27 a district pursuant to the Public Land Transfer Act of 1974;
28 nor shall the property of nonresidents be taxed at a higher
29 rate than the property of residents."

1 Section 10. Other Laws. Lands held by any district
2 legal entity or entities created or designated pursuant to
3 this act shall not be deemed ["]public lands ["] or ["]alien property ["] for purposes of the
4 Trust Territory Code; provided, however, that the Chief of
5 Lands and Surveys shall complete the cadastral program referred
6 to in the Public Land Policy Paper of the United States Gov-
7 ernment dated November 2, 1973, with respect to such lands;
8 and provided further that ^{for a period of two years after the date on which} the District Land Offices in each ^{land}
9 district shall, at the request ^{of the district legislature} and under the direction of the ^{is} first
10 legal entity or entities in such district, continue to perform ^{transfer}
11 land management functions with respect to any land held by the
12 district legal entities.

13 Section 11. Protection of Rights and Powers. ~~Neither~~
14 ~~the High Commissioner nor any other~~ ^{No} officer or employee of the
15 Trust Territory of the Pacific Islands shall take any action
16 in derogation of the legislative and contractual rights and
17 powers of the district legislatures and the district legal
18 entities and adjudicatory bodies designated or created under
19 this act.

20 Section 12. Effective Date. This act shall take
21 effect upon approval by the High Commissioner, or upon its
22 becoming law without such approval.