

AN ACT

To amend Section 2.A of Koror State Public Law No. K5-85-97, as amended by Koror State Public Law Nos. K7-166-05 and K8-179-2006, to prohibit payment of honorariums and meeting allowance to chiefs whose titles are subject to disputes, until disputes are resolved, and for other related purposes.

THE PEOPLE OF THE STATE OF KOROR REPRESENTED IN THE STATE LEGISLATURE DO ENACT AS FOLLOWS:

1 Section 1. Findings. The Koror State Constitution, Article VI, creates an entity
2 within Koror State Government known as the "House of Traditional Leaders"
3 ("HOTL"), which is comprised of certain traditional chiefs of Koror. The HOTL is
4 tasked with certain responsibilities (Article VI, Section, 2) and its members are to be
5 "compensated in accordance with law" (Article VI, Section 3). Over the years, members of
6 the HOTL have been paid compensation (honorariums and meeting allowances) pursuant
7 to law.

8 In the last several years, however, disputes have arisen over some of the chiefs titles
9 within the HOTL. Such title disputes have caused a great deal of problems for Koror State
10 Government in determining which of the disputing parties should be paid
11 honorariums/meeting allowances and whether Koror State Government will be obligated to
12 pay somebody else. To address the problem, Koror State Public Law No. K8-179-2006 was
13 adopted on December 28, 2006, which, among other things, amended the then-existing law
14 (namely, Section 2.A of KSPL No. K5-85-97) by prohibiting payment of honorariums to
15 any person claiming to bear a chief title until "a final and unappealable judgement of the
16 court determines the true and proper title bearer".

17 Several persons who claimed to bear the chief titles and members of the HOTL sued
18 Koror State Government in court, arguing that they were entitled to compensation in the
19 form of honorariums. The case became known as Iyechadribukel Theodore Aitaro, et al, v.
20 Koror State Government, Civil Action No. 07-177. In said case, the Plaintiffs argued that
21 Section 2.A of KSPL No. K5-85-97, as amended -- which prohibited payment of
22 honorariums to any

1 person until the court determines a true and proper title bearer - was invalid. On May 28,
2 2008, the Trial Court issued its Order in favor of the Plaintiffs and against Koror State
3 Government, ruling that the said provision of law was invalid.

4 The Eighth Koror State Legislature respectfully disagrees with the May 28, 2008
5 Court Order. Further, the Eighth Koror State Legislature believes that the Trial Court
6 does not fully understand the nature of the title disputes faced by Koror State
7 Government, the difficulty in determining whether or not to pay compensation, and the
8 risks involved in the release of public funds to any person claiming to bear the chief title.
9 In short, the Trial Court did not understand the reasons behind the law that was passed by
10 the Legislature.

11 Nevertheless, given the Trial Court's ruling, the Eighth Koror State Legislature
12 believes that KSPL No. K5-85-97, as amended, should be further amended to ensure that
13 no public funds are paid to anybody until he/she proves that he/she properly bears the
14 chief title pursuant to Palauan customs. It is also in the interests of the people of Koror
15 to make the within amendments "retroactive" to December 28, 2006.

16 Section 2. Amendment to Section 2.A of KSPL No. K5-85-97, as amended by
17 KSPL Nos. K7-166-05 and K8-179-2006. Section 2.A of Koror State Public Law No.
18 K5-85-97, is hereby amended to read as follows:

19 "The monthly honorariums payable to members of the House of Traditional
20 Leaders shall be established as follows: Ibedul \$700.00, Ngaramketii
21 \$500.00, Rubekul Kldeu \$500.00, payable on the fifteenth (15th) and
22 thirtieth (30th) of each month. The honorarium payable to the members of
23 the House of Traditional Leaders shall only be paid to the person who
24 actually holds a title in the House of Traditional Leaders and sits as a

25 member of the House of Traditional Leaders. In the event that two or
26 more persons claim to bear the same traditional title, then no honorariums

1 **or meeting allowances shall be paid to any person until: (i) the competing**
2 **claims to the traditional title are fully**

1 resolved pursuant to Palauan custom, (ii) the person seeking payment proves
2 that he/she, and no other person, properly bears the traditional title pursuant
3 to Palauan custom, and (iii) the Governor, in good faith, determines that
4 Koror State Government will not be subject to any additional payment,
5 liability or claims resulting from the payment thereof."

6 Section 3. Retroactivity; severability.

7 A. The amendments to section 2.A. herein above are hereby made retroactive to
8 December 28, 2006.

9 B. In the event that this retroactivity provision, or any provision of this Act, is
10 declared to be invalid or otherwise unenforceable, then the offending portion or portions
11 may be stricken, and the remaining portions shall continue in full force and effect.

12 Section 4. Effective Date. This Act shall become effective upon its approval
13 pursuant to the Constitution of the State of Koror.

PASSED ON: JUNE 25, 2008

CERTIFIED BY:

ATTESTED TO BY:

_____/s/
Timothy "Tero" Uehara
Speaker
Eighth Koror State Legislature

_____/s/
Rena Iluches
Clerk
Eighth Koror State Legislature

APPROVED ON THIS DAY 30th OF June, 2008

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_____/s/
Yositaka Adachi
Governor
Koror State