

A BILL FOR AN ACT

To establish lease rate for public lands administered by the Koror State Public Lands Authority, and for related purposes.

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

Section 1. Findings.

The Ninth Koror State Legislature hereby finds that the Koror Municipal [State] Public Lands Authority was established pursuant to Palau District Public Law No. 5-8-10, which was implemented by Koror Municipal Ordinance 112-79 and approved by Kim Batcheller, Acting District Administrator in February of 1979. Under Public Law No. 5-8-10, codified at 35 PNC 201 et seq., the state public lands authority is limited only to those rights, interests, powers, responsibilities, duties, and obligations inherent in the Palau Public Lands Authority. With respect to leases of public lands, 35 PNC provides that the Palau Public Lands Authority may only lease public lands with the approval of the government of the state within whose geographical boundaries such public lands are situated, and pursuant to national laws and the laws of the State, provided that the state's laws are not inconsistent with national laws. Similarly, 35 PNC 217©) provides that the state public lands authority is limited to those rights, interests, powers, responsibilities, duties, and obligations inherent in the Palau Public Lands Authority.

The Legislature further finds that Article IV, section 5 of the constitution of the Republic of Palau provides equal protection under the law, "except for the preferential treatment of citizens". Over the years, the courts have been awarding public lands to private claimants, reducing the amount of available public lands for leasing, and helping to create a limitation on the ability of Koror State Public Lands Authority to lease public lands to citizens of Koror. The Legislature finds that the Koror State Public Lands Authority may lease public lands subject to the laws of the State of Koror, that the Koror State Public Lands Authority may give preferential treatment to citizens of the State of Koror, and that it is in the best interests of the people of the State of Koror to establish rates and minimal procedures for the leasing of public lands by

citizens of Koror and by non-citizens.

Sections 2. Koror citizens defined.

As used in this Act, “citizen of Koror” means a person who is a registered voter of the State of Koror, and who is from Koror State or whose parents and relatives are from Koror State, all pursuant to traditional law.

Section 3. Lease rates established for public lands administered by the Koror State Public Lands Authority and leased to citizens of Koror; lease rate adjustments; interest.

A. The following lease rates are hereby established for the lease of any public land to citizens of Koror by the Koror State Public Lands Authority:

Category 1	Residential	\$0.50 cents
	Residential/Commercial	\$1.50
	Commercial	\$3.00
Category 2	Residential	\$0.40 cents
	Residential/Commercial	\$1.00
	Commercial	\$2.50
Category 3	Residential	\$0.30 cents
	Residential/Commercial	\$2.00

B. The annual rental amounts set forth herein above are subject to adjustment by way of increase every ten (10) years, as follows:

(1) Residential: Escalation term-ten (10) years with two percent(2%) increase over the previously existing rate;

(2) Residential Commercial: Escalation term-ten (10) years with five percent(5%) increase over the previously existing rate;

(3) Commercial: Escalation term-ten (10) years with five percent (5%) increase over the previously existing rate.

C. The interest rate for all of the above delinquent rents shall be as follows:

(1) for any payment due, a late fee of five per cent (5%) of the amount due for any amount that is fifteen days or more past due.

(2) interest shall accrue on any unpaid amount at the highest rates allowed by law for consumer credit (residential leases) and for commercial credit (commercial land residential/commercial leases).

Section 4. Lease rates established for public lands administered by the Koror State Public Lands Authority and leased to non-citizens of Koror; lease rate adjustments; interest.

A. The following lease rate hereby established for the lease of any public land to citizens of Koror by the Koror State Public Lands Authority:

Category 1	Residential	\$1.00
	Residential/Commercial	\$2.10
	Commercial	\$5.10
Category 2	Residential	\$0.80 cents
	Residential/Commercial	\$1.75
	Commercial	\$4.25
Category 3	Residential	\$0.50 cents
	Residential/Commercial	\$1.50
	Commercial	\$3.10

B. The annual rental amounts set forth herein above are subject to adjustment by way if increase every ten (10) years, as follows:

(1) Residential: Escalation term-ten (10) years wit two percent (2%) increase over the previously existing rate;

(2) Residential Commercial: Escalation term-ten (10) years with five percent (5%) increase over the previously existing rate;

(3) Commercial: Escalation term-ten (10) years with five percent (5%) increase over the previously existing rate.

C. The interest rate for all of the above delinquent rents shall be as follows:

(1) for any payment due, a late fee of five per cent (5%) of the amount due for any amount that is fifteen days or more past due.

(2) interest shall accrue on any unpaid amount at the highest rates allowed by law for consumer credit (residential leases) and for commercial credit (commercial land residential/commercial leases)

Section 5. Categories of leases.

A. Category 1 Leases are designated as properties adjacent to the Main Highway- main Thoroughfare-Ernguul Road and Highway or Roads that are categorized by the “Master Plan” as within the category of major Thoroughfare. However, all lease properties in Madalaih Loop Area, Malakal Area and Ngesaol Area are designated as **Category 1** leases. In addition, public lands in Echang are also considered as leases designated in **Category 1**, and any others that may, at a later time deemed as Category 1 leases, as the Board determines.

B. Category 2 Leases are designated as the properties behind **Category 1** leased properties, including the properties adjacent to the secondary road, including all roads designated as part of “Collector Road.” These are leased properties with improved public access by the State Government. Other properties may be deemed as **Category 2**, as the Board determines.

C. Category 3 Leases are designated as the properties behind **Category 2** with slight improvements on access road, and are away from the main secondary and Ernguul highway road and all unpaved, dirt roads. Other properties may be deemed within **Category 3**, as the Board determines.

Section 6. Effect on prior leases; transfers of leases.

A. Nothing in this Act is mentioned to alter or change any existing lease terms and conditions as of the effective date of this Act. The lease rates, penalties, and interest in this Act are intended only to apply after the effective date of this Act, except for those charges and fees that are already in effect as of the date of this Act, which may continue to be collected by the Koror State Public Lands Authority .

NINTH KOROR STATE LEGISLATURE

2nd Special Session, June 24 , 2010

L.B.No. 9-22

B. If any lease holder dies or otherwise transfers any interest in any land administered by the Koror State Public Lands Authority, then the provisions of this Act shall apply for any such successor in interest or new lessee.

Section 7. Severability.

In the event that a court of competent jurisdiction determines that any part or portion of this Act are invalid or otherwise unenforceable, then the offending part or portions may be stricken , and the remaining portions shall continue in full force and effect.

Section 8. Effective Date.

This act shall became effective upon its becoming law by operation of the Koror State Constitution.

Date: April 24, 2010

Introduced by: _____
Speaker Eyos Rudimch
Ninth Koror State Legislature,
By Request