

REPUBLIC OF PALAU CONSTITUTION

Justices, an administrative director to supervise the administrative operation of the judicial system.

Section 13. The Chief Justice shall prepare and submit through the President to the Olbiil Era Kelulau an annual consolidated budget for the entire unified judicial system. The national government shall bear the total cost of the system unless the Olbiil Era Kelulau requires reimbursement of appropriate portions of such cost by the state governments.

Section 14. The Supreme Court shall promulgate rules governing the administration of the courts, legal and judicial professions, and practice and procedure in civil and criminal matters.

ARTICLE XI

STATE GOVERNMENTS

Section 1. The structure and organization of state governments shall follow democratic principles, traditions of Palau, and shall not be inconsistent with this Constitution. The national government shall assist in the organization of state government.

Section 2. All governmental powers not expressly delegated by this Constitution to the states nor denied to the national government are powers of the national government. The national government may delegate powers by law to the state governments.

Section 3. Subject to laws enacted by the Olbiil Era Kelulau, state legislatures shall have the power to impose taxes which shall be uniformly applied throughout the state.

Section 4. Subject to the approval of the Olbiil Era Kelulau, the state legislatures shall have the power to borrow money to finance public programs or to settle public debt.

ARTICLE XII

FINANCE

Section 1. There shall be a National Treasury and a state treasury for each of the states. All revenues derived from taxes or other sources shall be deposited in the appropriate treasury. No funds shall be withdrawn from any

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treasury except by law.

Section 2.

(a) A Public Auditor shall be appointed for a term of six (6) years by the President subject to confirmation by the Olbiil Era Kelulau. The Public Auditor may be removed by a vote of not less than two-thirds (2/3) of the members of each house of the Olbiil Era Kelulau. In such event, the Chief Justice of the Supreme Court shall appoint an acting Public Auditor to serve until a new Public Auditor is appointed and confirmed. The Public Auditor shall be free from any control or influence by any person or organization.

(b) The Public Auditor shall inspect and audit accounts in every branch, department, agency, or statutory authority of the national government and in all other public legal entities or nonprofit organizations receiving public funds from the national government. The Public Auditor shall report the results of his inspections and audits to the Olbiil Era Kelulau, at least once a year, and shall have such additional functions and duties as may be prescribed by law.

Section 3.

(a) The President shall submit an annual unified national budget to the Olbiil Era Kelulau for consideration and approval. The Olbiil Era Kelulau may amend or modify the annual budget as submitted by the President. Except appropriation bills recommended by the President for immediate passage or to cover the operational expenses of the Olbiil Era Kelulau, no appropriation bill may be enacted by the Olbiil Era Kelulau until a bill appropriating money for the budget has been enacted.

(b) The chief executive of each state shall submit, with the assistance of the national government, an annual budget to the state legislature for consideration and approval. The state legislature may amend or modify the annual budget as submitted by the chief executive of the state. Except appropriation bills recommended by the chief executive of the state for immediate passage or to cover the operational expenses of the state legislature, no appropriation bill may be enacted by a state legislature until a bill appropriating money for the budget has been enacted.

Section 4. The national government and the state governments shall have the power to make investments pursuant to law.