

**CONSTITUTION
OF THE
REPUBLIC OF PALAU**

**PALAU CONSTITUTIONAL CONVENTION
January 28 – April 2, 1979
Koror, Republic of Palau**

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PREAMBLE

In exercising our inherent sovereignty,

We, the people of Palau

Proclaim and reaffirm our immemorial right

To be supreme in these islands of Palau, our homeland

We renew our dedication

to preserve and enhance our traditional heritage

Our national identity and

Our respect for peace, freedom and justice for all man.

In establishing this Constitution

Of the sovereign Republic of Palau,

We venture into the future

With full reliance on our own efforts

And the divine guidance of Almighty God

ARTICLE I

TERRITORY

Section 1. Palau shall have jurisdiction and sovereignty over its territory which shall consist of all of the islands of the Palauan archipelago, the internal waters, the territorial waters, extending to two hundred (200) nautical miles from a straight archipelagic baseline, the seabed, subsoil, water column, insular shelves, and airspace over land and water, unless otherwise limited by international treaty obligations assumed by Palau. The straight archipelagic baseline shall be drawn from the northernmost point of Ngeruangel Reef, thence east to the northernmost point of Kayangel Island and around the island to its eastern point, south to the easternmost point of the Babeldaob barrier reef, south to the easternmost point of Helen's Reef, west from the southernmost point of Helen's Reef to the easternmost point of Tobi Island and then around the island to its westernmost point, north to the westernmost point of Fana Island, and north to the westernmost point of Ngeruangel Reef and then around the reef to the point of origin.

Section 2. Each State shall have exclusive ownership of all living and non-living resources, except highly migratory fish, from the land to twelve (12) nautical miles seaward from the traditional baselines; provided, however, that traditional fishing rights and practices shall not be impaired.

Section 3. The national government shall have the power to add territory and to extend jurisdiction.

Section 4. Nothing in this Article shall be interpreted to violate the right of innocent passage and the internationally recognized freedom of the high seas.

ARTICLE II

SOVEREIGNTY AND SUPREMACY

Section 1. This Constitution is the supreme law of the land.

Section 2. Any law, act of government, or agreement to which a government of Palau is a party, shall not conflict with this Constitution and shall be invalid to the extent of such conflict.

Section 3. Major governmental powers including but not limited to defense, security, or foreign affairs may be delegated by treaty, compact, or other agreement between the sovereign Republic of Palau and another sovereign nation or international organization, provided such treaty, compact or agreement shall be approved by not less than two-thirds (2/3) of the members of each house of the Olbiil Era Kelulau and by a majority of the votes cast in a nationwide referendum conducted for such purpose, provided, that any such agreement which authorizes use, testing, storage or disposal of nuclear, toxic chemical, gas or biological weapons intended for use in warfare shall require approval of not less than three-fourths (3/4) of the votes cast in such referendum.

ARTICLE III

CITIZENSHIP

Section 1. A person who is a citizen of the Trust Territory of the Pacific Islands immediately prior to the effective date of this Constitution and who has at least one parent of recognized Palauan ancestry is a citizen of Palau.

Section 2. A person born of parents, one or both of whom are citizens of Palau is a citizen of Palau by birth, and shall remain a citizen of Palau so long as the person in not or does not become a citizen of any other nation.

Section 3. A citizen of Palau who is a citizen of another nation shall, within three (3) years after his eighteenth (18) birthday, or within three (3) years after the effective date of this Constitution, whichever is later, renounce his citizenship of the other nation and register his intent to remain a citizen of Palau. If he fails to comply with this requirement, he shall be deprived of Palauan citizenship.

Section 4. A person born of parents, one or both of whom are recognized Palauan ancestry, shall have the right to enter and reside in Palau and to enjoy other rights and privileges as provided by law, which shall include the right to petition to become a naturalized citizen of Palau; provided, that prior to becoming a naturalized citizen, a person must renounce his citizenship of another nation. There shall be no citizenship by naturalization except pursuant to this section.

Section 5. The Olbiil Era Kelulau shall adopt uniform laws for admission and exclusion of noncitizens of Palau.

ARTICLE IV

FUNDAMENTAL RIGHTS

Section 1. The government shall take no action to deny or impair the freedom of conscience or of philosophical or religious belief of any person nor take any action to compel, prohibit or hinder the exercise of religion. The government shall not recognize or establish a national religion, but may provide assistance to private or parochial school on a fair and equitable basis for nonreligious purposes.

Section 2. The government shall take no action to deny or impair the freedom of expression or press. No bona fide reporter may be required by the government to divulge or be jailed for refusal to divulge information obtained in the course of a professional investigation.

Section 3. The government shall take no action to deny or impair the right of any person to peacefully assemble and petition the government for redress of grievances or to associate with others for any lawful purpose including the right to organize and to bargain collectively.

Section 4. Every person has the right to be secure in his person, house, papers and effects against entry, search and seizure.

Section 5. Every person shall be equal under the law and shall be entitled to equal protection. The government shall take no action to discriminate against any person on the basis of sex, race, place of origin, language, religion or belief, social status or clan affiliation except for the preferential treatment of citizens, for the protection of minors, elderly, indigent, physically or mentally handicapped, and other similar groups, and in matters concerning intestate succession and domestic relations. No person shall be treated unfairly in legislative or executive investigations.

Section 6. The government shall take no action to deprive any person of life, liberty, or property without due process of law nor shall private property be taken except for a recognized public use and for just compensation in money or in kind. No person shall be held criminally liable for an act, which was not a legally recognized crime at the time of its commission, nor shall the penalty for an act be increased after the act was committed. No person shall be placed in double jeopardy for the same offense. No person shall be found guilty of a crime or punished by legislation. Contracts to which a citizen is a party shall not be impaired by legislation. No person shall be imprisoned for debt. A warrant for search and seizure may not issue except from a justice or judge on probable cause supported by an affidavit particularly describing the place, persons, or things to be searched, arrested, or seized.

Section 7. A person accused of a criminal offense shall be presumed innocent until proven guilty beyond a reasonable doubt and shall enjoy the right to be informed of the nature of the accusation and to a speedy, public and impartial trial. He shall be permitted full opportunity to examine all witnesses and shall have the right of compulsory process for obtaining witnesses and evidence on his behalf at public expense. He shall not be compelled to testify against himself. At all times the accused shall have the right to counsel. If the accused is unable to afford counsel, he shall be assigned counsel by the government. Accused persons lawfully detained shall be separated from convicted criminals and on the basis of sex and age. Bail may not be unreasonably excessive nor denied those accused and detained before trial. The writ of habeas corpus is hereby recognized and may not be suspended. The national government may be held liable in a civil action for unlawful arrest or damage to private property as prescribed by law. Coerced or forced confessions shall not be admitted into evidence nor may a person be convicted or punished solely on the basis of a confession without corroborating evidence.

Section 8. A victim of a criminal offense may be compensated by the government as prescribed by law or at the discretion of the court.

Section 9. A citizen of Palau may enter and leave Palau and may migrate within Palau.

Section 10. Torture, cruel, inhumane or degrading treatment or punishment, and excessive fines are prohibited.

Section 11. Slavery or involuntary servitude is prohibited except to punish crime. The government shall protect children from exploitation.

Section 12. A citizen has the right to examine any government document and to observe the official deliberations of any agency of government.

Section 13. The government shall provide for marital and related parental rights, privileges and responsibilities on the basis of equality between men and women, mutual consent and cooperation. Parents or individuals acting in the capacity of parents shall be legally responsible for the support and for the unlawful conduct of their minor children as prescribed by law.

ARTICLE V

TRADITIONAL RIGHTS

Section 1. The government shall take no action to prohibit or revoke the role or function of a traditional leader as recognized by custom and tradition which is not inconsistent with this Constitution, nor shall it prevent a traditional leader from being recognized, honored, or given formal or functional roles at any level of government.

Section 2. Statutes and traditional law shall be equally authoritative. In case of conflict between a statute and a traditional law, the statute shall prevail only to the extent it is not in conflict with the underlying principles of the traditional law.

ARTICLE VI

RESPONSIBILITIES OF THE NATIONAL GOVERNMENT

The national government shall take positive action to attain these national objectives and implement these national policies: conservation of a beautiful, healthful and resourceful natural environment; promotion of the national economy; protection of the safety and security of persons and property; promotion of the health and social welfare of the citizens through the provision of free or subsidized health care; and provision of public education for citizens which shall be free and compulsory as prescribed by law.

ARTICLE VII

SUFFRAGE

A citizen of Palau eighteen (18) years of age or older may vote in national and state elections. The Olbiil Era Kelulau shall prescribe a minimum period of residence and provide for voter registration for national elections. Each state shall prescribe a minimum period of residence and provide for voter registration for state election. A citizen who is in prison, serving a sentence for a felony, or mentally incompetent as determined by a court may not vote. Voting shall be by secret ballot.

ARTICLE VIII

EXECUTIVE

Section 1. The President shall be the chief executive of the national government.

Section 2. The Vice President shall serve as a member of the cabinet and have such other responsibilities as may be assigned by the President.

Section 3. Any citizen of Palau who is not less than thirty-five (35) years of age and has been a resident of Palau for the five (5) years immediately preceding the election shall be eligible to hold the office of President or Vice President.

Section 4. The President and Vice President shall be elected in a nationwide election for a term of four years. A person may not serve as President for more than two consecutive terms.

Section 5. The cabinet shall consist of the heads of the major executive departments created by law. The cabinet members shall be appointed by the President with the advice and consent of the Senate and shall serve at the will of the President. No person may serve in a legislature and the cabinet at the same time.

Section 6. A Council of Chiefs composed of a traditional chief from each of the states shall advise the President on matters concerning traditional laws, customs and their relationship to this Constitution and the laws of Palau. No person shall be a member of the Council of Chiefs unless he has been appointed and accepted as a chief in a traditional manner, and is recognized as such by the traditional council of chiefs of his state. No chief shall serve in the Council of Chiefs while serving as a member of the Olbiil Era Kelulau or the cabinet.

Section 7. The President shall have all the inherent powers and duties of a national chief executive, including, but not limited to the following:

- 1) to enforce the law of the land;
- 2) to conduct negotiations with foreign nations and to make treaties with the advice and consent of the Olbiil Era Kelulau;
- 3) to appoint ambassadors and other national officers with the advice and consent of the Senate;
- 4) to appoint judges from a list of nominees submitted to him by the Judicial Nominating Commission;
- 5) to grant pardons, commutations and reprieves subject to procedures prescribed by law and to suspend and remit fines and forfeitures, provided this power shall not extend to impeachment;
- 6) to spend money pursuant to appropriations and to collect taxes;
- 7) to represent the national government in all legal actions; and
- 8) to propose an annual budget.

Section 8. The compensation of the President and Vice President shall be established by law.

Section 9. The President or Vice President may be impeached and removed from office for treason, bribery, or other serious crimes by a vote of not less than two-thirds (2/3) of the members of each house of the Olbiil Era Kelulau.

Section 10. The President or Vice President may be removed from office by a recall. A recall is initiated by a resolution adopted by not less than two-thirds (2/3) of the members of the state legislatures in not less than three-fourths (3/4) of the states. Upon receipt by the presiding officers of the Olbiil Era Kelulau of the required number of certified resolutions, the Olbiil Era Kelulau shall establish a special election board to supervise a

nationwide recall referendum to be held not less than thirty (30) days nor more than sixty (60) days, after receipt of the required number of certified resolutions.

Section 11. The Vice President shall succeed to the office of President if it becomes vacant. If the vacancy occurs due to death, resignation or disability and more than on hundred and eighty (180) days remain in the term, a national election for the offices of the President and Vice President for the remaining term shall be held within two months of such vacancy. In the event that the offices of both the President and Vice President become vacant, the order of succession to the presidency shall be as follows: presiding officer of the Senate, presiding officer of the House of Delegates, and then as provided by law.

Section 12. The President may introduce legislative measures in the Olbiil Era Kelulau.

Section 13. The President shall make an annual report to the Olbiil Era Kelulau on the progress of his administration.

Section 14. Whenever war, external aggression, civil rebellion or natural catastrophe threatens the lives or property of a significant number of people in Palau, the President may declare a state of emergency and temporarily assume such legislative powers as may be necessary to afford immediate and specific relief to those lives or property so threatened. At the time of the declaration of a state of emergency, the President shall call a meeting of the Olbiil Era Kelulau to confirm or disapprove the state of emergency. The President shall not exercise emergency powers for a period of more than ten (10) days without the express and continuing consent of the Olbiil Era Kelulau.

ARTICLE IX

OLBIIL ERA KELULAU

Section 1. The legislative power of Palau shall be vested in the Olbiil Era Kelulau which shall consist of two houses, the House of Delegates and the Senate.

Section 2. Senators and Delegates shall be elected for a term of four (4) years.

Section 3. The House of Delegates shall be composed of one delegate to be popularly elected from each of the states of Palau. The Senate shall be composed of the number of senators prescribed from time to time by the reapportionment commission as provided by law.

Section 4.

- a) A reapportionment commission shall be constituted every eight (8) years not less than one hundred eighty (180) days before the next regular general election. Not less than one hundred twenty (120) days before the regular general election, the commission shall publish a reapportionment or redistricting plan for the Senate based on population, which shall become law upon publication.
- b) A member of the reapportionment commission shall not be eligible to become a candidate for election to the Senate in the next regular general election under a reapportionment or redistricting plan prepared by the commission.

- c) Upon the petition of any voter within sixty (60) days after the promulgation of a plan by the reapportionment commission, the Supreme Court shall have original jurisdiction to review the plan and to amend it to comply with the requirements of the Constitution. If a reapportionment or redistricting plan for the Senate is not published before the applicable 120-day period, the Supreme Court shall promulgate within ninety (90) days before the next regular general election, a reapportionment or redistricting plan.

Section 5. The Olbiil Era Kelulau shall have the following powers:

- 1) to levy and collect taxes, duties and excises, which shall be uniformly applied throughout the nation;
- 2) to borrow money on the credit of the national government to finance public programs or to settle public debt;
- 3) to regulate commerce with foreign nations and among the several states;
- 4) to regulate immigration and establish a uniform system of naturalization;
- 5) to establish uniform laws on the subject of bankruptcy;
- 6) to provide a monetary and banking system and to create or designate a national currency;
- 7) to ratify treaties by a vote of a majority of the members of each house;
- 8) to approve presidential appointment by a vote of not less than two-thirds (2/3) of the members of the Senate;
- 9) to establish diplomatic immunities;
- 10) to regulate banking, insurance, and issuance and use of commercial paper and securities, and patents and copyrights;
- 11) to provide for a national postal system;
- 12) to regulate the ownership, exploration and exploitation of natural resources;
- 13) to regulate navigation, shipping, and the use of navigable waters;
- 14) to regulate the use of air space;
- 15) to delegate authority to the states and administrative agencies;
- 16) to impeach and remove the President, Vice President, and Justices of the Supreme Court by a vote of not less than two-thirds (2/3) of the members of each house;
- 17) to provide for the national defense;
- 18) to create or consolidate states with the approval of the states affected;
- 19) to confirm or disapprove a state of emergency declared by the President;
- 20) to provide for the general welfare, peace and security; and
- 21) to enact any laws which shall be necessary and proper for exercising the foregoing powers and all other inherent powers vested by this Constitution in the government of Palau.

Section 6. To be eligible to hold office in the Olbiil Era Kelulau, a person must be:

- 1) a citizen
- 2) not less than twenty-five (25) years of age;
- 3) a resident of Palau for not less than five (5) years immediately preceding the election; and
- 4) a resident of the district in which he wishes to run for office for not less than one (1) year immediately preceding the election.

Section 7. A vacancy in the Olbiil Era Kelulau shall be filled for the unexpired term by a special election to be held in accordance with the law. If less than one hundred eighty (180) days remain in the unexpired term, the seat will remain vacant until the next regular general election.

Section 8. The compensation of the members of the Olbiil Era Kelulau shall be determined by law. No increase in compensation shall apply to the members of the Olbiil Era Kelulau during the term of enactment, nor may an increase in compensation be enacted in the period between the date of a regular general election and the date a new Olbiil Era Kelulau takes office.

Section 9. No member of either house of the Olbiil Era Kelulau shall be held to answer in any other place for any speech or debate in the Olbiil Era Kelulau. The members of the Olbiil Era Kelulau shall be privileged, in all cases except treason, felony, or breach of peace, from arrest during their attendance at the sessions of the Olbiil Era Kelulau and in going to and from the sessions.

Section 10. Each house of the Olbiil Era Kelulau shall be the sole judge of the election and qualifications of its members, may discipline a member, and, by a vote of not less than two-thirds (2/3) of its members may suspend or expel a member. A member may not hold any other public office or public employment while a member of the Olbiil Era Kelulau.

Section 11. Each house of the Olbiil Era Kelulau shall convene its meeting on the second Tuesday in January following the regular general election and may meet regularly for four (4) years. Either house may be convened at any time by the presiding officer, or at the written request of the majority of the members, or by the President.

Section 12. Each house of the Olbiil Era Kelulau shall promulgate its own rules and procedures not inconsistent with this Constitution and the laws of Palau, and may compel the attendance of absent members. A majority of the members of each house shall constitute a quorum to do business. Each house, with the approval of a majority of its members, may compel the attendance and testimony of witnesses and the production of books and papers before that house or its committees.

Section 13. Each house of the Olbiil Era Kelulau shall elect a presiding officer by a majority of the members of the members of that house. Each house shall elect such other officers and employ such staff as it deems necessary and appropriate.

Section 14. The Olbiil Era Kelulau may enact no law except by bill. Each house of the Olbiil Era Kelulau shall establish a procedure for the enactment of bills into law. No bill may become a law unless it has been adopted by a majority of the members of each house present on three (3) separate readings, each reading to be held on a separate day. No bill may become a law unless it contains the following enacting clause: THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 15. A bill adopted by each house of the Olbiil Era Kelulau shall be presented to the President and shall become law when signed by the President. If the President vetoes a bill, it shall be returned to each house of the Olbiil Era Kelulau within fifteen (15) calendar days with a statement of reasons for the veto. The President may reduce or veto an item in an appropriation bill and sign the remainder of the bill, returning the item reduced or vetoed to each house within fifteen (15) calendar days together with the reason for his action; or refer a bill to

each house with recommendations for amendment. A bill not signed, vetoed, or referred within fifteen (15) calendar days of presentation to the President shall become law. A bill or item of a bill vetoed or reduced by the President may be considered by each house within thirty (30) calendar days of its return and shall become law as originally adopted upon approval of not less than two-thirds (2/3) of the members of each house. The Olbiil Era Kelulau, by the approval of a majority of the members present of each house, may pass a bill referred by the President in accordance with the President's recommendation for change and return it to the President for reconsideration. The President may not refer a bill for amendment a second time.

Section 16. The Olbiil Era Kelulau, with the approval of not less than two-thirds (2/3) of the members of each house, may release funds appropriated by the Olbiil Era Kelulau but impounded by the President.

Section 17. The people may recall a member of the Olbiil Era Kelulau from office. A recall is initiated by a petition which shall name the member sought to be recalled, state the grounds for recall, and be signed by not less than twenty-five percent (25%) of the number of persons who voted in the most recent election for that member of the Olbiil Era Kelulau. A special recall election shall be held not later than sixty (60) calendar days after the filing of the recall petition. A member of the Olbiil Era Kelulau shall be removed from office only with the approval of a majority of the persons voting in the election, and such vacancy shall be filled by a special election to be held in accordance with law. A recall may be sought against an individual member of the Olbiil Era Kelulau no more than once per term. No recall shall be permitted against a member who is serving the first year of his first term in the Olbiil Era Kelulau.

ARTICLE X

JUDICIARY

Section 1. The judicial power of Palau shall be vested in a unified judiciary, consisting of a Supreme Court, a National Court, and such inferior courts of limited jurisdiction as may be established by law. All courts except the Supreme Court may be divided geographically and functionally as provided by law, or judicial rules not inconsistent with law.

Section 2. The Supreme Court is a Court of Record consisting of an appellate division and a trial division. The Supreme Court shall be composed of a Chief Justice and not less than three (3) nor more than six (6) Associate Justices, all of whom shall be members of both divisions. All appeals shall be heard by at least three justices. Matters before the trial division may be heard by one justice. No justice may hear or decide an appeal of a matter heard by him in the trial division.

Section 3. If the Chief Justice is unable to perform his duties, he shall appoint an Associate Justice to act in his place. If the office of Chief Justice becomes vacant and the Chief Justice has failed to appoint an Acting Chief Justice to act in his place, the President shall appoint an Associate Justice to act as Chief Justice until the vacancy is filled or the Chief Justice resumes his duties.

Section 4. The National Court shall consist of a presiding judge and such other judges as may be provided by law.

Section 5. The judicial power shall extend to all matters in law and equity. The trial division of the Supreme Court shall have original and exclusive jurisdiction over all matters affecting Ambassadors, other Public Ministers and Consuls, admiralty and maritime cases, and those matters in which the national government or a state government is a party. In all other cases, the National Court shall have original and concurrent jurisdiction with the trial division of the Supreme Court.

Section 6. The appellate division of the Supreme Court shall have jurisdiction to review all decisions of the trial division and all decisions of lower courts.

Section 7. The Judicial Nominating Commission shall consist of seven (7) members, one of whom shall be the Chief Justice of the Supreme Court who shall act as Chairman. The Bar shall elect three (3) of its members to serve on the Judicial Nominating Commission and the President shall appoint three (3) citizens who are not members of the Bar. The Judicial Nominating Commission shall meet upon the call of the Chairman and prepare and submit to the President a list of seven (7) nominees for the positions of justice and judge. A new list shall be submitted every year.

Section 8. No person shall be eligible to hold judicial office in the Supreme Court or National Court unless he has been admitted to practice law before the highest court of a state or country in which he is admitted to practice for at least five (5) years preceding his appointment. Any justice of the Supreme Court or judge of the National Court who becomes a candidate for an elective office shall, upon filing for such office, forfeit his judicial office.

Section 9. All justices of the Supreme Court and judges of the National Court shall hold their offices during good behavior. They shall be eligible for retirement upon attaining the age of sixty-five (65) years.

Section 10. A justice of the Supreme Court may be impeached only for the commission of treason, bribery, other high crimes, or improper practices, or on the grounds of his inability to discharge the functions of his office upon a vote of not less than two-thirds (2/3) of the members of each house of the Olbiil Era Kelulau. The judges of the National Court and the inferior courts may be impeached by a majority vote of the members of each house of the Olbiil Era Kelulau. During his impeachment or removal proceedings, a justice or judge may not exercise the power of his office. A justice or judge shall forfeit his office upon conviction of a felony or any high crime.

Section 11. The justices and judges shall receive compensation as prescribed by law. Such compensation shall not be diminished during their term of office.

Section 12. The Chief Justice of the Supreme Court shall be the administrative head of the unified judicial system. He may assign judges from one geographical department or functional division of a court to another department or division of that court and he may assign judges for temporary service in another court. The Chief Justice shall appoint with the approval of the Associate 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 government.

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.

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.

Section 5. Except where a particular distribution is required by the terms of the assistance, all block grants and foreign aid shall be shared by the national government and all the states in a fair and equitable manner based on needs and population.

Section 6.

- a) Each state shall be entitled to revenues derived from the exploration and exploitation of all living and non-living resources, except highly migratory fish, and fines collected for violation of any law within the marine area extending from the land to twelve (12) nautical miles seaward from the traditional baselines.
- b) The national government shall be entitled to all revenues derived from the exploration and exploitation of all living and non-living resources, except highly migratory fish, and fines collected for violation of any law beyond the areas owned by the state.
- c) All revenues derived from licensing foreign vessels to fish for highly migratory fish within the jurisdictional waters of Palau shall be divided equitably between the national government and all the state governments as determined by the Olbiil Era Kelulau.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. The Palauan traditional languages shall be the national languages. Palauan and English shall be the official languages. The Olbiil Era Kelulau shall determine the appropriate use of each language.

Section 2. The Palauan and English versions of this Constitution shall be equally authoritative; in case of conflict, the English version shall prevail.

Section 3. Citizens may enact or repeal national laws, except appropriations, by initiative. An initiative petition shall contain the text of the proposed law or of the law sought to be repealed and be signed by not less

than ten percent (10%) of the registered voters. An initiative petition shall take effect if approved at the next general election by a majority of the persons voting on the initiative. A law enacted by initiative or a repeal of a law by initiative may not be vetoed by the President. A law enacted or repealed by initiative may be subsequently amended, repealed or reenacted only by another initiative pursuant to the provisions of this section.

Section 4. No state may secede from Palau.

Section 5. An area which was historically or geographically part of Palau may be admitted as a new state upon the approval of the Olbiil Era Kelulau and not less than three-fourths (3/4) of the states.

Section 6. Harmful substances such as nuclear, chemical, gas or biological weapons intended for use in warfare, nuclear power plants, and waste materials therefrom, shall not be used, tested, stored, or disposed of within the territorial jurisdiction of Palau without the express approval of not less than three-fourths (3/4) of the votes cast in a referendum submitted on this specific question.

Section 7. The national government shall have the power to take property for public use upon payment of just compensation. The state government shall have the power to take private property for public use upon payment of just compensation. No property shall be taken by the national government without prior consultation with the government of the state in which the property is located. This power shall not be used for the benefit of a foreign entity. This power shall be used sparingly and only as a final resort after all means of good faith negotiation with the land owner have been exhausted.

Section 8. Only citizens of Palau and corporations wholly owned by citizens of Palau may acquire title to land or waters in Palau.

Section 9. No tax shall be imposed on land.

Section 10. The national government shall, within five (5) years of the effective date of this Constitution, provide for the return to the original owners or their heirs of any land which became part of the public lands as a result of the acquisition by previous occupying powers or their nationals through force, coercion, fraud, or without just compensation or adequate consideration.

Section 11. The provisional capital shall be located in Koror; provided that not later than ten (10) years after the effective date of this Constitution, the Olbiil Era Kelulau shall designate a place in Babeldaob to be the permanent capital.

Section 12. The national government shall have exclusive power to regulate importation of firearms and ammunition. No persons except armed forces personnel lawfully in Palau and law enforcement officers acting in an official capacity shall have the right to possess firearms or ammunition unless authorized by legislation which is approved in a nationwide referendum by a majority of the votes cast on the issue.

Section 13. Subject to Section 12, the Olbiil Era Kelulau shall enact laws within one hundred and eighty (180) days after the effective date of this Constitution:

- 1) providing for the purchase, confiscation and disposal of all firearms in Palau;
- 2) establishing a mandatory minimum imprisonment of fifteen (15) years for violation of any law regarding importation, possession, use or manufacture of firearms.

ARTICLE XIV

AMENDMENTS

Section 1. An amendment to this Constitution may be proposed by a Constitutional Convention, popular initiative, or by the Olbiil Era Kelulau, as provided herein:

- a) at least once every fifteen (15) years, the Olbiil Era Kelulau may submit to the voters the question: "Shall there be a Convention to revise or amend the Constitution?". If a majority of the votes cast upon the question is in the affirmative, a Constitution Convention shall be convened within six (6) months thereafter, in a manner prescribed by law;
- b) by petition signed by not less than twenty-five percent (25%) of the registered voters; or
- c) by resolution adopted by not less than three-fourths (3/4) of the members of each House of the Olbiil Era Kelulau.

Section 2. A proposed amendment to this Constitution shall become effective when approved in the next regular general election by a majority of the votes cast on that amendment and in not less than three-fourth (3/4) of the states.

ARTICLE XV

TRANSITION

Section 1. This Constitution shall take effect on January 1, 1981, unless otherwise provided herein.

Section 2. The first election pursuant to the terms of this Constitution shall take place on November 4, 1980. The officials elected shall be installed on January 1, 1981.

Section 3.

- a) All existing law in force and effect in Palau immediately preceding the effective date of this Constitution shall, subject to the provisions of this Constitution, remain in force and effect until repealed, revoked, amended or until it expires by its own terms.
- b) All rights, interests, obligations, judgments, and liabilities arising under the existing law shall remain in force and effect and shall be recognized, exercised, and enforced accordingly, subject to the provisions of this Constitution.

Section 4. On or after the effective date of this Constitution, but not later than the termination of the Trusteeship Agreement, the national government of Palau shall succeed to any right or interest acquired by the Administering Authority, the Trust Territory of the Pacific Islands, and the government of Palau District, and may assume such obligations and liabilities incurred by the Administering Authority, the Trust Territory of the Pacific Islands, or the government of Palau District as may be prescribed by law.

Section 5. Nothing in Section 3 or 4 of this Article shall be deemed to constitute a waiver or release of the Administering Authority, the Trust Territory of the Pacific Islands, or any other government entity or person from any continuing or unsatisfied obligation or duty owing to the citizens of Palau, or Palau, or the national government or state government of Palau. The national government and state governments as well as the citizens of Palau shall retain all rights, interests, and causes of action not specifically and expressly released or waived.

Section 6. All municipal charters existing on the effective date of this Constitution shall remain in force and effect until the state governments are established pursuant to this Constitution which shall take place not later than four (4) years after the effective date of this Constitution.

Section 7. Upon the effective date of this Constitution, the employees of the district government of Palau shall remain as employees of the national government of Palau, unless otherwise provided by law or regulation.

Section 8. Until the judicial system provided for in this Constitution is organized, which shall occur not later than one (1) year after the effective date of this Constitution, the judicial system as of the effective date of this Constitution, shall continue unless otherwise provided by law. After the organization and certification of the judicial system by the President, all new actions shall be commenced and filed therein and all pending matters shall be transferred to the proper court as though commenced and filed in those courts in the first instance, except as otherwise prescribed by law. The Chief Justice of the Trust Territory High Court shall be the acting Chief Justice of the Supreme Court until the President appoints the first Chief Justice.

Section 9. Individuals, corporations, or other entities qualified to do business in Palau on the effective date of this Constitution shall maintain their legal existence and shall be allowed to continue to do business unless otherwise provided by law. Business and professional licenses in Palau District on the effective date of this Constitution shall continue in effect unless otherwise prescribed by law or until they expire by their own terms.

Section 10. Any provision of this Constitution or a law enacted pursuant to it which is in conflict with the Trusteeship Agreement between the United States of America and the United Nations Security Council shall not become effective until the date of termination of such Trusteeship Agreement.

Section 11. Any amendment to this Constitution proposed for the purpose of avoiding inconsistency with the Compact of Free Association shall require approval by a majority of the votes cast on that amendment and in not less than three-fourths (3/4) of the states. Such amendment shall remain in effect only as long as the inconsistency continues.

Section 12. There shall be a Post Convention Committee on Transitional Matters which shall consist of nine members, five of whom shall be appointed by the President of the Palau Constitutional Convention subject to the approval of the Convention, two of whom shall be appointed by the House of Elected Members of the Palau Legislature, and two of whom shall be appointed by the House of Chiefs of the Palau Legislature. The term of office of the members shall commence not later than ten (10) days following ratification of this Constitution and shall continue until the installation of officers elected pursuant to Section 2 of this Article. The duties and powers of this Committee shall be as follows:

- 1) to aid in the orderly transfer of governmental functions;
- 2) to propose necessary transitional legislation;
- 3) to obtain information necessary to orderly transition;
- 4) to work in cooperation with the Palau Political Status Commission and the Palau Legislature on transitional matters;
- 5) to take all steps reasonable and necessary to promote orderly transition; and
- 6) to seek necessary funds from the Palau Legislature to implement this section and to carry out these tasks.

Section 13.

- a) The Senate, for the first four-year term after ratification of this Constitution, shall be composed of eighteen (18) senators to be popularly elected as follows:
 - 1) the First Senatorial District shall be composed of Kayangel and Ngarchelong and shall have two (2) senators;
 - 2) the Second Senatorial District shall be Ngaraard and shall have two (2) senators;
 - 3) the Third Senatorial District shall be composed of Ngiwal, Melekeok and Ngchesar and shall have two (2) senators;
 - 4) the Fourth Senatorial District shall be Airai and shall have one (1) senator;
 - 2) the Fifth Senatorial District shall be composed of Ngardmau, Ngaremlengui, Ngatpang and Aimeliik and shall have two (2) senators;
 - 6) the Sixth Senatorial District shall be Koror and shall have seven (7) senator;
 - 7) the Seventh Senatorial District shall be Peleliu and shall have one (1) senator;
 - 8) the Eighth Senatorial District shall be composed of Angaur, Sonsorol and Tobi and shall have one (1) senator.
- b) The Olbiil Era Kelulau shall promulgate in its first term after the effective date of this Constitution an enabling act designating the duties and the rules governing the composition of the reapportionment commission. The first reapportionment commission shall be constituted within four (4) years of the first general election.

IN WITNESS WHEREOF, we, the Delegates to this Convention assembled at the Palau Legislature Building in Koror this 2nd day of April in the year of our Lord One Thousand Nine Hundred and Seventy Nine, have hereunto subscribed our names,

Aimeliik

/s/ Alfonso Rebochong Oiterong (d)
/s/ Masami Siksei (d)

Angaur

/s/ Victorio Ucherbelau
/s/ Carlos Hiroshi Salii

Ngardmau

/s/ Ngiraiwet Ignacio (d)

Ngarchelong

/s/ Masayuki Adelbai
/s/ Johnny Reklai
/s/ Victor O. Rehuher (d)

Ngaraard

/s/ Laurentino Ulechong
/s/ John Sadao Tarkong
/s/ Sadang Silmai

Ngaremlengui

/s/ Blau J. Skebong
/s/ Haruo Ngiraked Wilter

Ngchesar

/s/ Moses Ramarui (d)
/s/ Bonifacio Basio Basilius

Sonsorol

/s/ Mariano W. Carlos

Ngatpang

/s/ Msa-Aki N. Emesiochel

Attest: /s/ Jonathan Koshiba
Convention Secretary

Airai

/s/ Singichi Ikesakes(d)
* Baules Sechelong(d)
* Anthony H. Polloi(d)

Kayangel

/s/ Hank Takawo (d)

Melekeok

/s/ Andres Demei (d)
/s/ Huana Rengulbai

Koror

/s/ Felix K. Yaoch (d)
/s/ Billy G. Kuartei
/s/ Johnson Toribiong
/s/ Kuniwo Nakamura
/s/ Lazarus E. Salii (d)
/s/ Peter Sugiyama
/s/ Santos Olikong
/s/ Kaleb Udui (d)
* Joshua Koshiba

Peleliu

/s/ Tosiwo Nakamura (d)
/s/ Yukio M. Shmull
/s/ Haruo I. Remeliik (d)

Tobi

/s/ Pablo Kiyoshi (d)

Ngiwal

/s/ Raymond Ulochong (d)
/s/ Hideo E. Termeteet