

1 (a) “Election” means both general and special elections for government officials
2 at the state level.

3 (b) “Government” means a state government.

4 **§ 602. Applicability.**

5 State governments are hereby authorized to establish a Caretaker Government
6 system in accordance with relevant state laws and constitutional procedures in order to
7 provide the state with a temporary government system that shall apply when an elected
8 government fails to be installed on the designated day of installation for one of the
9 following reasons:

10 (a) Because the election or traditional process failed to produce a functioning
11 government; or

12 (b) Because it is clear who will form the next government, but they have not yet
13 been installed into office, due to a delay in the day of installation that is the result of
14 factors that are beyond the control of the state government.

15 **§ 603. Caretaker Government Formation.**

16 The Caretaker Government may be comprised of the incumbent elected officials
17 and traditional leaders where applicable, of the government’s Executive Branch and
18 Legislative Branch.

19 **§ 604. Caretaker Government’s Limited Authority.**

20 The Caretaker Government is authorized to take the necessary actions to allow
21 for the continuing of the normal businesses of the government and the day-to-day
22 administration of departments and other agencies, and only such actions. The
23 Caretaker Government is prohibited from taking any action that will have an effect
24 beyond the current term that the Caretaker Government has been temporarily installed
25 for, and the Caretaker Government is prohibited from taking any of the following
26 actions:

27 (a) Signing a contract that would obligate the government or citizens of the state,
28 except when renewing a current non-citizen employment contract that has expired.

1 **(b) Making a significant appointment, including but not limited to, board**
2 **members, except renewing a current board membership that has expired.**

3 **(c) Adopting new government policies.**

4 **(d) Enacting laws, rules, or regulations; except when an annual budget or**
5 **continuing budget authority has expired, in which case the Caretaker Government shall**
6 **have the limited authority to enact only a continuing budget authority in accordance**
7 **with relevant state laws.**

8 **§ 605. Exception to Limited Authority.**

9 **In the instance where the Caretaker Government finds that it would be**
10 **detrimental to the government and citizens of the state to delay action in accordance**
11 **with Section 6 of this Act, the Caretaker Government may take action, but only with**
12 **consultation of the new incoming government.”**

13 **Section 4. Effective Date. This Act shall take effect upon its approval by the**
14 **President of the Republic of Palau or upon its becoming law without such approval,**
15 **except as otherwise provided by law.**

PASSED: April 22, 2014

Approved this 24th day of April, 2014

/s/
Tommy E. Remengesau, Jr.
President of the Republic of Palau