I Mina'trentai Sais Na Liheslaturan Guâhan THE THIRTY-SIXTH GUAM LEGISLATURE BIII HISTORY 1/20/2021 3:19 PM

I Mina'trentai Sais Na Liheslaturan Guåhan BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
1-36 (LS)	Jose (Pedo) Terlaje V. Anthony Ada	AN ACT TO TEMPORARILY WAIVE PAYMENT OF BUSINESS LICENSE FEES FROM OCTOBER 1, 2020 TO SEPTEMBER 30, 2022 AND TO ALLOW FOR A BUSINESS LICENSE FEE CREDIT FOR BUSINESSES WHO PAID THEIR LICENSE FEES PRIOR TO THE ENACTMENT OF THIS ACT; AND TO CITE THIS ACT AS THE "BUSINESS ASSISTANCE ACT OF 2021"	10:54 a.m.	1/13/21	Committee on General Government Operations, Appropriations, and Housing			Request: 1/13/21 1/20/21	

CLERKS OFFICE Page 1



Guam Congress Building 163 Chalan Santo Papa Hagåtña, Guam 96910 Tel 671-472-2461 Cor@guamlegislature.org

January 20, 2021

MEMO

To: Rennae Meno

Clerk of the Legislature

From: Vice Speaker Tina Rose Muña Barnes

Chairperson, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

Attached, please find the fiscal note for the following bills:

Bill No. 1-36 (LS)

Bill No. 3-36 (COR)

Bill No. 7-36 (COR)

Bill No. 16-36 (COR)

Bill No. 18-36 (COR)

Bill No. 19-36 (COR)

Bill No. 20-36 (COR)

Bill No. 21-36 (COR)

Bill No. 27-36 (COR)

Bill No. 28-36 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



Bureau of Budget & Management Research Fiscal Note of Bill No. <u>1-36 (LS)</u>

AN ACT TO TEMPORARILY WAIVE PAYMENT OF BUSINESS LICENSE FEES FROM OCTOBER 1, 2020 TO SEPTEMBER 30, 2022 AND TO ALLOW FOR A BUSINESS LICENSE FEE CREDIT FOR BUSINESSES WHO PAID THEIR LICENSE FEES PRIOR TO THE ENACTMENT OF THIS ACT; AND TO CITE THIS ACT AS THE "BUSINESS ASSISTANCE ACT OF 2021"

Department's General Fund (GF) appropriation(s) to date:											
Department's General Fund (GF) appropriation(s) to date:			Department/A	Agency Appropriation	on Information						
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$479,765); Better Public Service Fund (\$1,410,919); Tax Collection Enhancement Fund (\$919,948) \$2.81	Dept./Agency Affec	ted: Department of	f Revenue and Taxat	tion (DRT)	Dept./Agency Head:	Dafne Mansapit-Sh	imizu, Director				
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1/ See attached Comments.

Bureau of Budget & Management Research Comments on Bill No. 1-36 (LS)

Bill No. 1-36 proposes to temporarily waive payment of business license fees from October 1, 2020 to September 30, 2022 and to allow for a business license fee credit for businesses who paid their license fees prior to the enactment of this act and to cite this act as the "Business Assistance Act of 2021.".

Based on the General Fund Revenue Collections in FY20, approximately \$2.5M was generated for various business license fees from the total of \$4.3M of all licenses, fees, and permits. Utilizing the \$2.5M as an estimated annual collections of business license fees, should this legislation become enacted, GovGuam may lose approximately \$5.0M in revenue (\$2.5M in FY 21 and \$2.5M in FY 22). Per the November 2020 Consolidated Revenue / Expenditure Report (CRER), Business Privilege Tax (BPT) collections have experienced an approximate \$7.6M collection shortfall below adopted levels per P.L. 35-99. The waiving of business license fees as proposed by the Bill will further exacerbate the Government's revenue shortfall. Furthermore, the Bureau notes that any proposed reductions from BPT remittances may affect potential collections to be received by the General Fund.