

I Mina'trentai Sais Na Lihelaturan 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)	Tina Rose Muña Barnes Jose (Pedro) 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"	1/4/21 10:54 a.m.	1/13/21	Committee on General Government Operations, Appropriations, and Housing			Request: 1/13/21 1/20/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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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. 1-36 (LS)**

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/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$8,945,336
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)	<u>\$2,810,632</u>
Total Department/Agency Appropriation(s) to date:	\$11,755,968

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund:	Total:
FY 2020 Unreserved Fund Balance	\$0	\$0	\$0
FY 2021 Adopted Revenues	\$0	0	0
FY 2021 Appro. (P.L. 35-99)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
Total:	\$0	0	0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund 1/	\$0	\$2,500,000	\$2,500,000	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$2,500,000	\$2,500,000	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? // Yes /X/ No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A // Yes // No
If no, what is the additional amount required? \$ _____ /X/ N/A
- Does the Bill establish a new program/agency? // Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A // Yes // No
Is there a federal mandate to establish the program/agency? // Yes /X/ No
- Will the enactment of this Bill require new physical facilities? // Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes // No
/X/ Requested agency comments not received by due date: DRT / Other:

Analyst: <u>Raymond Rieta, BMA II</u>	Date: <u>1/18/2021</u>	Director: <u>Lester I. Carlson, Jr., Director</u>	Date: <u>JAN 20 2021</u>
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Notes:
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.