

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
50-36 (COR)	James C. Moylan Christopher M. Dueñas Joanne Brown	AN ACT TO ADD ARTICLE 13, TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A PUBLIC PRIVATE PARTNERSHIP FOR THE REPAIRS, REHABILITATION, AND/OR MAINTENANCE OF VILLAGE SPORTS FACILITIES.	2/1/21 3:12 p.m.	2/3/21	Committee on General Government Operations, Appropriations, and Housing			Request: 2/3/21 2/15/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

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February 15, 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 notes for the following bills:

Bill No. 49-36 (COR)

Bill No. 50-36 (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. 50-36 (COR)

AN ACT TO ADD ARTICLE 13, TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A PUBLIC PRIVATE PARTNERSHIP FOR THE REPAIRS, REHABILITATION, AND/OR MAINTENANCE OF VILLAGE SPORTS FACILITIES.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority (GEDA)	Dept./Agency Head: Melanie Mendiola, Administrator
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	<u>\$0</u>
	\$0

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund	Total:
FY 2020 Unreserved Fund Balance		\$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	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

- 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? // N/A // Yes /X/ 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
// Requested agency comments not received by due date / / Other:

Analyst: Jose Balis Cruz, Jr., BMA II Date: 11 FEB '21 Director: Lester L. Carlson, Jr., Director Date: FEB 15 2021

1/The intent of Bill 50-36 (COR) is to add Article 13 to Chapter 77, Title 12, Guam Code Annotated, relative to the establishment of a public-private partnership for the repairs, rehabilitation, and/or maintenance of village sports facilities. The legislations, if passed, would authorize Business Privilege Tax (BPT) and Excise Tax credits for contributors who provide funds towards the repairs, rehabilitation, and/or maintenance of village sports facilities. It would allow up to \$1M each in BPT and/or Excise Tax credits against the unpledged business taxes or excise tax with a limitation of \$250K per program in tax credits issued per year up to four (4) years. The Bill would allow the Guam Legislature to extend the eligible period and term should there be lapses of unclaimed tax credits until such time all eligible tax credits are exhausted. Per comments received by the Guam Economic Development Authority (GEDA), the bill does not specify as to which excise taxes are eligible for tax credits. Based on its understanding, many of the excise tax collected are already allocated to programs, funds and/or agencies. GEDA also notes that certain other excise taxes, such as the Hotel Occupancy Taxes, are dedicated to the repayment of bonds and other government obligations. The tax credits against the Hotel Occupancy Tax could be seen as a priority lien on Hotel Occupancy Tax revenues collected which could lead to a violation of bond covenants. Lastly, because the bill would authorize credits for a finite period, GEDA is highly recommending that the Guam Department of Education have a plan to utilize the tax credits prior to the passage of the bill. Lastly, the Bureau notes that the use of tax credits may impact the government's ability to manage the finances of the government of Guam as it may reduce the expected revenues due to the government. The filing of tax credits by the taxpayer will take priority over appropriations made in the annual budget process, which may impact government programs.