

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
166-36 (COR)	Sabina Flores Perez Therese M. Terlaje	AN ACT RELATIVE TO APPROPRIATING SIX HUNDRED FIFTY THOUSAND AND THREE HUNDRED FOUR DOLLARS (\$650,304) TO GUAM ENVIRONMENTAL AGENCY (GEPA) TO INCREASE REGULATORY CAPACITY.	7/30/21 12:28 pm	8/9/21	Committee on General Government Operations, Appropriations, and Housing			Request: 8/10/21  8/16/21	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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August 16, 2021

# MEMO

**To: Rennae Meno**  
Clerk of the Legislature

**From: Senator Amanda L. Shelton**  
Acting Chairperson, Committee on Rules

**Re: Fiscal Note on Bill No. 166-36 (COR)**

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*Håfa adai,*

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

**Bill No. 166-36 (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. 166-36 (COR)**

**AN ACT RELATIVE TO APPROPRIATING SIX HUNDRED FIFTY THOUSAND AND THREE HUNDRED FOUR DOLLARS (\$650,304) TO GUAM ENVIRONMENTAL AGENCY (GEPA) TO INCREASE REGULATORY CAPACITY.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Environmental Protection Agency	Dept./Agency Head: Walter S. Leon Guerrero, Administrator
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund appropriation(s) to date: Air Pollution Control Fund (\$162,292); Guam Environmental Trust Fund (\$464,261); Pesticide Management Fund (\$94,989); Water Protection Fund (\$71,950); Water Research and Development Fund (\$66,411); Solid Waste Operations Fund (\$202,992); Tourist Attraction Fund (\$46,903); and Recycling Revolving Fund (\$2,362,523)	\$3,475,321
Total Department/Agency Appropriation(s) to date:	\$3,475,321

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify 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 thru )	\$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	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$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 / / Other:

Analyst:  Date: 8/10/2021 Director:  Date: AUG 16 2021  
 Abigail Reyes, BMA III Lester L. Carlson, Jr., Director

Notes:  
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
COMMENTS ON BILL NO. 166-36 (COR)

The proposed legislation intends to appropriate the sum of \$650,304 from the FY2021 Use Tax to the Guam Environmental Protection Agency (GEPA) to increase its regulatory capacity through additional manpower and purchase of relevant equipment and supplies. Said appropriation is proposed not to lapse and shall not impede the receipt of federal grants and aid to accomplish the objectives of this legislation.

The Bureau notes that the amount of \$650,304 proposed to be appropriated to GEPA appears to have been determined by taking 20% of the Use Tax's FY2021 YTD actual collection for nine months totaling \$3,251,524 as reflected in the Consolidated Revenue and Expenditure Report (CRER) for the period ending June 30, 2021.

The proposed legislation cites §28112(c) of Chapter 28, Title 11 of the Guam Code Annotated (11GCA), which states that 20% of the total Use Tax collected in the previous fiscal year shall be appropriated to the *Guam Environmental Protection Agency Environmental Cleanup Fund* to cover costs associated with preserving Guam's natural resources. Currently, such fund is not established and does not appear in the Government of Guam's Basic Financial Statements, Additional Information and Independent Auditor's Report. The annual General Appropriations Act also makes no appropriation to and from such fund. Further, the proposed legislation appears to be in conflict with §28112(c) of Chapter 28, 11GCA as it intends to appropriate from the current fiscal year and not the previous fiscal year as the citation imparts.

More importantly, Use Tax is captured in the estimated revenues of the annual General Appropriations Act as *Other Taxes* under the Business Privilege Tax category. As such, revenues derived from Use Tax in FY2021 have already been appropriated as part of the General Fund revenues. In addition, Use Tax is currently tracking to collect \$592,822 below the FY2021 adopted level of \$4,986,064 as reported in the CRER for the period ending June 30, 2021. Therefore, the appropriation proposed in this legislation is unsupported by the identified revenue source.