

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
178-36 (LS)	Telo T. Taitague Joanne Brown	AN ACT TO <i>AMEND</i> §§ 9102, 9103, 9105, 9106, AND 9108, ALL OF CHAPTER 9, TITLE 2, GUAM CODE ANNOTATED, RELATIVE TO PROMOTING SOUND BUDGETING AND TRANSPARENCY THROUGH IMPROVEMENTS IN THE PREPARATION OF FISCAL NOTES REQUIRED FOR LEGISLATIVE PROPOSALS.	8/13/21 12:09 p.m.	8/17/21	Committee on General Government Operations, Appropriations, and Housing			Request: 8/17/21 8/20/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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August 20, 2021

MEMO

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

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

Re: **Fiscal Notes on Bill Nos. 177-36 (LS) and 178-36 (LS)**

Håfa adai,

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

Bill No. 177-36 (LS)

Bill No. 178-36 (LS)

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. 178-36 (LS)

AN ACT TO AMEND §§ 9102, 9103, 9105, 9106, AND 9108, ALL OF CHAPTER 9, TITLE 2, GUAM CODE ANNOTATED, RELATIVE TO PROMOTING SOUND BUDGETING AND TRANSPARENCY THROUGH IMPROVEMENTS IN THE PREPARATION OF FISCAL NOTES REQUIRED FOR LEGISLATIVE PROPOSALS.

Department/Agency Appropriation Information

Dept./Agency Affected: Bureau of Budget and Management Research	Dept./Agency Head: Lester L. Carlson, Jr., Director
Department's General Fund (GF) appropriation(s) to date:	\$1,020,057
Department's Other Fund appropriation(s) to date: Indirect Cost Fund	\$298,787
Total Department/Agency Appropriation(s) to date:	\$1,318,844

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

1. Does the bill contain "revenue generating" provisions? 1/ / / Yes / / No
 If Yes, see attachment
2. 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
3. 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
4. Will the enactment of this Bill require new physical facilities? / / Yes / X / No
5. 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:  Date: 8/17/2021 Director:  Date: AUG 20 2021
 Abigail Reyes, BMA III 3/10/21 Lester L. Carlson, Jr., Director

Notes:
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 178-36 (LS)

The proposed legislation intends to amend certain sections of Chapter 9, Title 2 of the Guam Code Annotated (GCA) relative to the preparation, submission, and other requirements of a fiscal note. While mostly administrative in nature, Section 3 amends § 9103 of Chapter 9, Title 2 GCA by adding the language to impose a \$250.00 administrative fine for failure to provide a fiscal note or waiver pursuant to the provisions of Chapter 9, Title 2 GCA. The proposed language further states that the administrative fine shall not be paid by an agency of the Government of Guam and instead shall be paid as a personal expense of the Directors of the Bureau of Budget and Management Research (BBMR) and the appropriate government instrumentality. All fines collected are to be deposited into the Rainy Day Fund.

The proposed legislation does not have a fiscal impact on BBMR's funds nor any of the other government instrumentalities' funds as the administrative fines are not to be paid out of any government funds but as personal expense of the Directors. The fiscal impact that this proposed legislation may have will be on the Rainy Day Fund as the proposed recipient of such fines. Considering that this is a new proposal, there are no historical trends to base the additional revenues to be generated. Further, there is no available statistics on the number of affected agencies per bill. At minimum, it can be assumed that at least one government instrumentality will be affected by any given bill. Therefore, the Director of BBMR and the Director of the affected agency may be subject to the \$250.00 administrative fine should the fiscal note or waiver fail to be submitted or meet the requirements. A quick review of the number of bills introduced over the past six terms resulted in an average of roughly 451 bills. Assuming equal distribution, roughly 225 bills are introduced annually. The fiscal impact to the Rainy Day Fund would be the amount of fiscal notes or waivers that do not meet the requirements of § 9103 of Chapter 9, Title 2 GCA as amended, multiplied by the number of Directors of the departments involved, multiplied by the \$250.00 administrative fine.

The proposed legislation does not provide guidelines in determining compliance or failure to provide a fiscal note or waiver pursuant to the provisions of Chapter 9, Title 2 GCA. Additionally, there are bills that have direct and indirect impact to various government entities. As such, the Bureau notes the proposed legislation does not establish a mechanism to determine what departments may be affected by a particular proposed legislation.