

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
259-36 (LS)	Telo T. Taitague Amanda L. Shelton Sabina Flores Perez Joanne Brown Frank F. Blas, Jr. Jose "Pedo" Terlaje	"ÁKTON GUMA" (GROUP USE MANÁMKO ACCOMMODATIONS) INCENTIVE ACT, AN ACT TO ADD A NEW ARTICLE 3 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING NEW SPECIAL QUALIFYING CERTIFICATE INCENTIVES FOR THE DEVELOPMENT OF ELDERLY RESIDENTIAL LIVING HOUSING COMPRISING OF INDEPENDENT LIVING, ASSISTED CARE AND NURSING HOME ACCOMMODATIONS.	2/21/22 12:21 p.m.	3/2/22	Committee on Economic Development, Agriculture, Power and Energy Utilities, and the Arts			Request: 3/2/22  3/14/22	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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March 14, 2022

# MEMO

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

**From:** Vice Speaker Tina Rose Muña Barnes  
Chairperson, Committee on Rules

**Re:** Fiscal Note on Bill No. 259-36 (LS)

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*Håfa adai,*

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

**Bill No. 259-36 (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. 259-36 (LS)**

**"AKTON GUMA" (GROUP USE MANAMKO ACCOMMODATIONS) INCENTIVE ACT, AN ACT TO ADD A NEW ARTICLE 3 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING NEW SPECIAL QUALIFYING CERTIFICATE INCENTIVES FOR THE DEVELOPMENT OF ELDERLY RESIDENTIAL LIVING HOUSING COMPRISING OF INDEPENDENT LIVING, ASSISTED CARE AND NURSING HOME ACCOMMODATIONS.**

**Department/Agency Appropriation Information**

<b>Dept./Agency Affected:</b> Guam Economic Development Authority	<b>Dept./Agency Head:</b> Melanie Mendiola, CEO/Administrator
<b>Department's anticipated revenues to date:</b>	<b>\$2,957,299</b>
<b>Department's appropriation(s) to date:</b>	<b>\$0</b>
<b>Total Department/Agency revenues to date:</b>	<b>\$2,957,299</b>

**Fund Source Information of Proposed Appropriation**

	<b>General Fund:</b>	<b>(Specify Special Fund):</b>	<b>Total:</b>
<b>FY 2021 Unreserved Fund Balance</b>		\$0	\$0
<b>FY 2022 Adopted Revenues</b>	\$0	\$0	\$0
<b>FY 2022 Appro. (P.L. 36-54)</b>	\$0	\$0	\$0
<b>Sub-total:</b>	\$0	\$0	\$0
<b>Less appropriation in Bill</b>	\$0	\$0	\$0
<b>Total:</b>	\$0	\$0	\$0

**Estimated Fiscal Impact of Bill**

	<b>One Full Fiscal Year</b>	<b>For Remainder of FY 2022 (if applicable)</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>General Fund 1/</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Special Fund 1/</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total 1/</b>	\$0	\$0	\$0	\$0	\$0	\$0

- |   |            |                               |                            |
|---|------------|-------------------------------|----------------------------|
| 1. Does the bill contain "revenue generating" provisions?<br>If Yes, see attachment   |            | / / Yes                       | /X/ No                     |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?<br>If no, what is the additional amount required? \$ _____  | /X/ N/A    | / / Yes                       | / / No                     |
| 3. Does the Bill establish a new program/agency?<br>If yes, will the program duplicate existing programs/agencies?<br>Is there a federal mandate to establish the program/agency? | /X/ N/A    | / / Yes<br>/ / Yes<br>/ / Yes | /X/ No<br>/ / No<br>/X/ No |
| 4. Will the enactment of this Bill require new physical facilities?   |            | /X/ Yes                       | / / No                     |
| 5. Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason:<br>/X/ Requested agency comments not received by due date                                  | / / Other: | /X/ Yes                       | / / No                     |

Analyst: <u>Joaquin A.J. Guerrero II</u>	Date: <u>3/10/22</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>MAR 14 2022</u>
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**Notes:**  
 1/ See attached comments.

Bureau of Budget and Management Research  
Comments on Bill No. 259-36 (LS)

The proposed legislation intends to add a new Article 3 to Chapter 58, Title 12 of the Guam Code Annotated, to establish new special qualifying certificate (QC) incentives for the development of elderly residential living housing comprising of independent living, assisted care, and nursing home accommodations; and to be known as the “*Ākton GUMA*” (Group Use *Manāmkō* Accommodations) Incentive Act. The provisions of the Bill under the QC program are limited to the construction of new elderly housing development projects or the substantial renovation of existing multi-family structures for conversion to elderly residential living accommodations.

Proposed within the Bill for new construction and substantial renovation/improvement projects for elderly residential living accommodations that exceed the affordable income threshold as determined by the Guam Economic Development Authority (GEDA), the developer shall be allowed a tax rebate, exemption, or abatement in an amount equal to twenty-five percent (25%) of their total construction cost. In comparison, developers with new construction and substantial renovation/improvement projects for affordable elderly residential living accommodations shall be permitted a tax rebate, exemption, or abatement in an amount equal to thirty percent (30%) of their total construction cost. As provided in the proposed Subsections (a) and (b) of § 58305, the developer shall be allowed a tax rebate, exemption, or abatement, which can be applied at their discretion to the following taxes: (1) one hundred percent (100%) Business Privilege Tax for twenty (20) years as long as the tax credits are available at the point they are taken, but shall not apply to three percent (3%) out of the total percentage points levied from time to time; (2) seventy-five percent (75%) Income Tax Rebate for twenty (20) years; (3) one hundred percent (100%) Real Property Tax Abatement for twenty (20) years; and (4) one hundred percent (100%) of Use Tax Exemption with respect to the property used to construct, furnish, and equip the new multi-family dwelling. GEDA shall establish the fees for the QC program pursuant to this Article no more than thirty (30) days from the enactment of this Act; and the annual compliance monitoring fees shall be assessed annually until such time the QC beneficiary has exhausted the total dollar amount of its QC benefit.

This Article shall take effect on its approval by *I Maga'hāgan Guåhan* and shall remain in effect for ten (10) years. At its discretion, the GEDA Board, with input from *I Liheslatura*, the Guam Housing and Urban Renewal Authority, Department of Public Health and Social Services, *I Maga'hāgan Guåhan*, and the community, shall re-examine the effectiveness and need of the program to determine if it should be extended, and may extend the effectiveness of this Article for up to an additional five (5) years by adopting a resolution to such effect prior to the expiration date.

The Bureau notes that although the intent of the Bill will benefit the island's elderly population through encouraging the development of additional elderly residential living housing comprising of independent living, assisted care, and nursing home accommodations, applying any tax credits to any of the above-mentioned taxes will likely result in reduced financial resources for other government programs and services.