

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
250-36 (COR)	James C. Moylan Joe S. San Agustin	AN ACT TO <i>AMEND</i> § 5127 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASES FOR PROPERTIES MANAGED BY CERTAIN AUTONOMOUS AGENCIES OF THE GOVERNMENT OF GUAM.	2/4/22 11:46 a.m.	2/16/22	Committee on General Government Operations, Appropriations, and Housing			Request: 2/17/22  3/2/22	



Vice Speaker

**TINA ROSE MUÑA BARNES**

**CHAIRPERSON, COMMITTEE ON RULES**

*I Mina'trentai Sais Na Liheslaturan Guåhan*

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March 2, 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. 250-36 (COR)

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*Håfa adai,*

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

**Bill No. 250-36 (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. 250-36 (COR)**

**AN ACT TO AMEND § 5127 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO COMMERCIAL LEASES FOR PROPERTIES MANAGED BY CERTAIN AUTONOMOUS AGENCIES OF THE GOVERNMENT OF GUAM.**

**Department/Agency Appropriation Information**

Dept./Agency Affected: Office of the Governor of Guam	Dept./Agency Head: Honorable Lourdes A. Leon Guerrero, Governor of Guam
Department's General Fund (GF) appropriation(s) to date:	\$5,851,424
Department's Other Fund (Specify) appropriation(s) to date: Indirect Cost Fund	\$293,825
Total Department/Agency Appropriation(s) to date:	\$6,145,249
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Melanie Mendiola, CEO/Administrator
Department's anticipated revenues to date:	\$2,957,299
Department's appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$2,957,299

**Fund Source Information of Proposed Appropriation**

	General Fund:	(Specify Special Fund):	Total:
FY 2021 Unreserved Fund Balance		\$0	\$0
FY 2022 Adopted Revenues	\$0	\$0	\$0
FY 2022 Appro. (P.L. 36-54)	\$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 2022 (if applicable)	FY 2023	FY 2024	FY 2025	FY 2026
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$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  
/ / Requested agency comments not received by due date / / Other:

Analyst: Joaquin A.J. Guerrero II Date: 2/21/22 Director: Lester L. Carlson, Jr. Date: MAR 02 2022

Notes:  
1/ See attached comments.

Bureau of Budget and Management Research  
Comments on Bill No. 250-36 (COR)

The proposed legislation intends to amend § 5127 of Chapter 5, Title 5 of the Guam Code Annotated (GCA), permitting a commercial contract, lease, permit, or license for use of commercial public property and related facilities managed by the Guam Economic Development Authority (GEDA), Guam International Airport Authority, Port Authority of Guam, Guam Power Authority, and Guam Waterworks Authority to be solicited, negotiated, entered into, or made for a period of no more than thirty (30) years, inclusive of any extension, option, or renewal, without needing approval for an exceptional term contract. Nonetheless, any contract, lease, permit, or license made for the use of commercial property and related facilities managed by any other Government of Guam entity or instrumentality not previously mentioned shall remain for a term not in excess of five (5) years as mandated under current law. Moreover, the Bill authorizes the Governor of Guam to identify and transfer up to Five Thousand Dollars (\$5,000) from the General Fund to GEDA for the purposes of compiling a report of available Commercial Real Property under the provisions of § 5127, Chapter 5, Title 5 GCA.

Per comments provided from GEDA, increasing the maximum commercial lease, contract, permit, or license term will allow certain government entities to more efficiently manage the properties in their inventory and has the potential to result in increased revenues. The current five-year lease cap has had a detrimental impact on the commercial leasing of government real property, as five (5) years is too short for potential investors to recoup the time and money they have put into a project. This creates an environment that is not conducive to such investments. Further, the process to obtain an exceptional term contract is not optimal, as it requires the requesting entity to go through a significant portion of the procurement process before submitting the request to the Guam Legislature, with no guarantee that the exceptional term contract will be approved.

Additionally, the BBMR Director discussed the provisions of the Bill with GEDA and the GEDA CEO has stated that they will be able to undertake the reporting requirement and absorb the funding without the need to transfer from the General Fund.