

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
308-36 (COR)	Telo T. Taitague Joe S. San Agustin Joanne Brown V. Anthony Ada	AN ACT TO <i>AMEND</i> § 12303(c) OF ARTICLE 3, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING GUAM'S EMERGENCY REPORTING SYSTEM BY RESTRICTING LOCAL EXCHANGE CARRIERS, VOICE OVER INTERNET PROTOCOL PROVIDERS, AND COMMERCIAL RADIO SERVICE PROVIDERS FROM DEDUCTING MORE THAN FIVE PERCENT (5%) FROM MONTHLY <i>E-911 SURCHARGE</i> COLLECTIONS FOR ADMINISTRATIVE COSTS.	5/24/22 8:24 a.m.	5/27/22	Committee on Public Accountability, Human Resources, the Guam Buildup, Hagåtña Revitalization, Regional Affairs, Public Libraries, Telecommunications, and Technology			Request: 5/27/22 6/2/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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June 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. 308-36 (COR)

Håfa adai,

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

Bill No. 308-36 (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. 308-36 (COR)

AN ACT TO AMEND § 12303(c) OF ARTICLE 3, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING GUAM'S EMERGENCY REPORTING SYSTEM BY RESTRICTING LOCAL EXCHANGE CARRIERS, VOICE OVER INTERNET PROTOCOL PROVIDERS, AND COMMERCIAL RADIO SERVICE PROVIDERS FROM DEDUCTING MORE THAN FIVE-PERCENT (5%) FROM MONTHLY E-911 SURCHARGE COLLECTIONS FOR ADMINISTRATIVE COSTS.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Fire Department	Dept./Agency Head: Daniel C. Stone, Fire Chief
Department's General Fund (GF) appropriation(s) to date:	\$28,439,620
Department's Other Fund appropriation(s) to date: Enhanced 911 Emergency Reporting System Fund (\$2,159,975), Fire, Life, and Medical Emergency (FLAME) Fund (\$974,832)	\$3,134,807
Total Department/Agency Appropriation(s) to date:	\$31,574,427

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2021 Unreserved Fund Balance	\$0	\$0	\$0
FY 2022 Adopted Revenues	\$0	\$0	\$0
FY 2022 Appro. (P.L. 36-54 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 2022 (if applicable)	FY 2023	FY 2024	FY 2025	FY 2026
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?
If Yes, see attachment | / / Yes | / X / No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? | / X / N/A
/ X / N/A | / / Yes
/ / No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | / / Yes
/ X / N/A
/ / Yes | / X / No
/ / No
/ 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:
/ / Requested agency comments not received by due date | / X / Yes
/ / Other: | / / No |

Analyst: <u>Abigail R. Ofeciar, BMA III</u>	Date: <u>6/1/2022</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JUN 01 2022</u>
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Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 308-36 (COR)

The proposed legislation intends to amend how Local Exchange Carrier (LEC), Voice Over Internet Protocol (VOIP) providers and Commercial Mobile Radio Service (CMRS) providers (hereafter referred to as “service providers” collectively) deduct administrative costs from their collection of 911 surcharge as authorized in § 12303 of Article 3, Chapter 12, Title 12 of the Guam Code Annotated (12 GCA). The amendment proposed in Section 2 applies to § 12303(c) and will limit the amount authorized to be deducted by the service providers for administrative costs to no more than five percent (5%) for every One Dollar (\$1.00) collected in monthly 911 surcharge payments. In its present form, § 12303(c) authorizes the service providers to deduct actual expenses incurred for collection services, without any threshold established.

Citing the Office of the Public Auditor (OPA) Report No. 10-06 issued in October 2010, the Guam Fire Department (GFD) reported that the average administrative costs deducted by four (4) service providers for 911 surcharge collected equates to 12% (ranging from 3% to 31%). Per GFD, the proposed legislation will be beneficial to the department as it will allow for additional revenues to be deposited into the Enhanced 911 Emergency Reporting System Fund, which is the primary source of funding for the operations of the Enhanced Emergency 911 Telephone/Communications Systems. While GFD is unable to determine the amount of additional revenues to be collected at this time, GFD notes that any amount can only contribute to its acquisition, operation, and maintenance of a state-of-the-art 911 System.

Using available information from OPA Report No. 10-06, and the actual revenues collected in FY2021 under the Enhanced 911 Emergency Reporting System Fund, the Bureau provides the tables below to illustrate the additional revenues that may have been collected if the administrative costs were capped at 5%:

FY2009 Enhanced 911 Emergency Reporting System Fund			
Total Revenues recorded in the fund:	\$	1,653,469	92.25%
Administrative costs retained by service providers, per OPA 10-06	\$	138,984	7.75%
	\$	1,792,453	100.00%
<i>If capped at 5%, distribution of 911 Surcharge would have been as follows:</i>			
Total Revenues recorded in the fund:	\$	1,702,830	95.00%
Administrative costs retained by service providers (estimated at 5%)	\$	89,623	5.00%
	\$	1,792,453	100.00%
Additional revenues that may have been deposited into the Fund	\$	49,361	

FY2021 Enhanced 911 Emergency Reporting System Fund**Assuming the same 7.75% percentage applies to the FY2021 Actual Revenues**

Total Revenues recorded in the fund:	\$	2,137,513	92.25%
Administrative costs retained by service providers (estimated at 7.75%)	\$	179,574	7.75%
	\$	2,317,087	100.00%

If capped at 5%, distribution of 911 Surcharge would have been as follows:

Total Revenues recorded in the fund:	\$	2,201,233	95.00%
Administrative costs retained by service providers (estimated at 5%)	\$	115,854	5.00%
	\$	2,317,087	100.00%

Additional revenues that may have been deposited into the Fund **\$ 63,720**

FY2021 Enhanced 911 Emergency Reporting System Fund**Assuming the average 12% applies to the FY2021 Actual Revenues**

Total Revenues recorded in the fund:	\$	2,137,513	88.00%
Administrative costs retained by service providers (estimated at 12%)	\$	291,479	12.00%
	\$	2,428,992	100.00%

If capped at 5%, distribution of 911 Surcharge would have been as follows:

Total Revenues recorded in the fund:	\$	2,307,542	95.00%
Administrative costs retained by service providers (estimated at 5%)	\$	121,450	5.00%
	\$	2,428,992	100.00%

Additional revenues that may have been deposited into the Fund **\$ 170,029**

The Bureau notes that GFD is authorized to spend up to the level of revenues collected under the Enhanced 911 Emergency Reporting System Fund pursuant to Section 11(h), Part II, Chapter XII of Public Law No. 36-54.