

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
324-36 (COR)	James C. Moylan Christopher M. Dueñas Frank Blas Jr. V. Anthony Ada	AN ACT TO ADD A NEW ARTICLE 13, TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, AND TO ADD A NEW § 80109(v)(9)(D) TO CHAPTER 80, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING A PUBLIC PRIVATE PARTNERSHIP FOR THE RENOVATIONS OF THE GUAM MEMORIAL HOSPITAL'S LABOR AND DELIVERY WARD.	7/6/22 11:12 a.m.	7/7/22	Committee on Economic Development, Agriculture, Power and Energy Utilities, and the Arts			Request: 7/7/22 7/18/22	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

I Mina'trentai Sais Na Liheslaturan Guåhan

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July 18, 2022

MEMO

To: Rennae Meno
Clerk of the Legislature

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

Re: Fiscal Note on Bill No. 324-36 (COR)

Håfa adai,

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

Bill No. 324-36 (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. 324-36 (COR)

AN ACT TO ADD A NEW ARTICLE 13, TO CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, AND TO ADD A NEW § 80109(v)(9)(D) TO CHAPTER 80, TITLE 10, GUAM CODE ANOTATED, RELATIVE TO AUTHORIZING A PUBLIC PRIVATE PARTNERSHIP FOR THE RENOVATIONS OF THE GUAM MEMORIAL HOSPITAL'S LABOR AND DELIVERY WARD.

Department/Agency Appropriation Information			
Dept./Agency Affected: Guam Economic Development Authority (GEDA)		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 revenues to date:			\$2,957,299
Dept./Agency Affected: Guam Memorial Hospital Authority (GMHA)		Dept./Agency Head: Lillian Perez-Posadas, Administrator	
Department's General Fund (GF) appropriation(s) to date:			\$3,502,709
Department's Other Fund (GMHA Pharmaceuticals Fund) appropriation(s) to date:			\$14,789,655
Total Department/Agency Appropriation(s) to date:			\$18,292,364

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 1/	\$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
/X/ Requested agency comments not received by due date / / Other:

Analyst: Joaquin A.J. Guerrero II Date: 7/14/22 Director: Lester L. Carlson, Jr. Date: JUL 18 2022

Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 324-36 (COR)

The proposed legislation intends to add a new Article 13 to Chapter 77, Title 12 of the Guam Code Annotated (GCA) and a new § 80109(v)(9)(D) to Chapter 80, Title 10 GCA, for the establishment of a public-private partnership to initiate the process for the renovation of the Guam Memorial Hospital Labor and Delivery Ward (GMHA Maternal and Child Healthcare Renovation Project). The process will involve a tax credit mechanism that is not exclusive for the renovation or construction of other public facilities, which would be interest-free and will not adversely impact the government's annual collections. The public-private partnership will authorize private entities to provide the needed funds or other resources for facilities of public benefit, in lieu of approved and unpledged tax credit options spanning over a four (4) year period.

To the extent a private business contributes to the cost of labor and materials that are for the renovations of the labor and delivery ward at the Guam Memorial Hospital (GMHA Maternal and Child Healthcare Renovation Project), pursuant to the provisions of the proposed legislation and as approved by the Guam Economic Development Authority, the entity shall be entitled to credits of the following taxes: (1) unpledged business privilege taxes; (2) excise taxes, excluding those pledged to the Healthy Futures Fund; and (3) property taxes. The basis of contribution to the project shall be the actual cost of the contribution plus the cost of transportation from the point of origin to its destination. The total amount of credits against unpledged business privilege taxes and excise taxes for the renovations shall not exceed Four Million Dollars (\$4,000,000) from each source over a four (4) year period. For property taxes, the total amount of credits shall not exceed One Million Two Hundred Thousand Dollars (\$1,200,000) over a four (4) year period. Should there still be unclaimed authorized tax credits at the end of the four (4) year period, *I Liheslaturan Guåhan* may, at its discretion, extend the eligible period of the program until such time that all eligible tax credits are exhausted. Further, *I Liheslaturan Guåhan* may extend the terms and modify any part of the program based on future improvement plans and demands in the same location.

The provisions within the proposed legislation state that upon receipt of the Nine Million Two Hundred Thousand Dollars (\$9,200,000) previously approved by the U.S. Department of Agriculture, the monies shall be paid into the General Fund to replenish the amount of tax credits authorized. This amount mirrors the threshold of financing authorized for GMHA Maternal and Child Healthcare Renovation Project in Public Law 33-151. The Bureau notes that although the intent of the Bill will benefit the GMHA in expediting the renovations of the Guam Memorial Hospital Labor and Delivery Ward, applying any tax credits to business privilege taxes, excise taxes, or property taxes will likely result in reduced financial resources for other government programs and services in the fiscal period(s) that the credits are claimed.

Lastly, per the GMHA, should the subject Bill be passed into law, additional financial resources will be needed to provide regulatory oversight, approval and marketing as required in Sec. 2 of the Bill. This includes, but is not limited to, full time construction project management staff which is estimated to cost approximately \$80,000 per year (regular salaries and fringe benefits).