

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
75-36 (COR) As substituted by the Committee on General Government Operations, Appropriations, and Housing.	James C. Moylan V. Anthony Ada Christopher M. Dueñas	AN ACT TO AMEND SECTIONS 2(c), 2(d)(1), 3, 4, 5, AND 6 OF PUBLIC LAW 35-136; AND SECTIONS 1(d), 2(a), 2(b), 4, 5, AND 6 OF THE “EXHIBIT A” OF PUBLIC LAW 35-136, AND TO REPEAL SECTION 2(d)(2) OF PUBLIC LAW 35-136, RELATIVE TO AMENDING PROVISIONS OF THE RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) PROGRAM OF 2021, INCLUDING INCREASING THE AMOUNT OF THE BENEFIT, REMOVING CERTAIN REQUIREMENTS TO APPLY, AMENDING THE AUTHORIZED BUDGET, AND EXTENDING THE DEADLINE FOR THE PAYOUT BY SIX (6) MONTHS.	3/12/21 8:27 a.m.	3/17/21	Committee on General Government Operations, Appropriations, and Housing	7/28/21 9:00 a.m.	8/6/21 11:13 a.m. As substituted by the Committee on General Government Operations, Appropriations, and Housing	Request: 3/18/21 3/19/21	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	VETOED	NOTES		
	8/2/21	AN ACT TO <i>AMEND</i> SECTIONS 2(c), 2(d)(1), 3, 4, 5, AND 6, AND <i>REPEAL</i> SECTION 2(d)(2) OF PUBLIC LAW 35-136; AND <i>AMEND</i> SECTIONS 1(d), 4, 5, 6, AND 8 OF “EXHIBIT A” OF PUBLIC LAW 35-136, RELATIVE TO AMENDING PROVISIONS OF THE <i>RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) ACT OF 2020</i> , TO INCLUDE INCREASING THE AMOUNT OF THE PAYMENT, REMOVING CERTAIN ELIGIBILITY REQUIREMENTS, AMENDING THE AUTHORIZED BUDGET, AND EXTENDING THE DEADLINE FOR THE PAYOUT BY SIX (6) MONTHS.	8/6/21	8/7/21	8/19/21	8/16/21	Received: 8/19/21 Mess and Comm. Doc. No. 36GL-21-0988		

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

August 16, 2021

HONORABLE THERESE M. TERLAJE

Speaker, I Mina'trentai Sais Na Liheslaturan Guåhan
36th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Doc Type:

OFFICE OF THE SPEAKER
THERESE M. TERLAJE

~~08~~ 19 2021

Time:

Received:

RE: BILL NO. 75-36 (COR) "AN ACT TO AMEND SECTION 2(c), 2(d)(1), 3, 4, 5, AND 6, AND REPEAL SECTION 2(d)(2) OF PUBLIC LAW 35-136; AND AMEND SECTIONS 1(d), 4, 5, 6 and 8 OF "EXHIBIT A" OF PUBLIC LAW 35-136, RELATIVE TO AMENDING PROVISIONS OF THE RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) ACT OF 2020, TO INCLUDE INCREASING THE AMOUNT OF THE PAYMENT, REMOVING CERTAIN ELIGIBILITY REQUIREMENTS, AMENDING THE AUTHORIZED BUDGET, AND EXTENDING THE DEADLINE FOR THE PAYOUT BY SIX (6) MONTHS"

RE: BILL NO. 164-36 (COR) "AN ACT TO AMEND SECTIONS 4,5,6 AND 7, AND ADD A NEW SECTION 8, AND TO REPEAL "EXHIBIT A," ALL OF PUBLIC LAW 35-136 THE RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) ACT OF 2020, RELATIVE TO REMOVING IMPEDIMENTS TO THE ISSUANCE OF PAYMENTS TO ELIGIBLE GUAM RESIDENTS DURING THE STATE OF PUBLIC HEALTH EMERGENCY DUE TO THE COVID-19 PANDEMIC"

Buenas yan Hafa Adai Madame Speaker:

The RISE Act, which lapsed into law as Public Law No. 35-136, on December 29, 2020, was passed to offer direct aid to a limited class of Guam residents under a particular income threshold. From the onset, the RISE Act was problematic. It purported to appropriate federal funds as the first possible source of payments, though the Legislature had no authority to appropriate such funds. At the time of its enactment, federal funding under the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, had already been largely disbursed to our community or designated for use in numerous programs intended to help our people weather the effects of the pandemic. No CARES Act funds were available to pay the RISE Act's \$30M appropriation.

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COMMITTEE ON RULES

// **RECEIVED:**

August 19, 2021

3:45 P.M.

RICARDO J. BORDALLO GOVERNOR'S COMPLEX
513 W. Marine Corps Drive Hagåtña, Guam 96910
governor.guam.gov | (671) 472-8931
Doc. No. 36GL-21-0988.*

Page 1 of 3



UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

On March 11, 2021, the United States Congress passed the American Rescue Plan (“ARP”), which provides direct financial assistance to states and territories to support urgent pandemic response efforts to decrease the spread of the virus, replace lost revenue for governments to strengthen support for vital public services and help retain jobs, support immediate economic stabilization for households and businesses, and address systemic public health and economic challenges that have resulted to some communities suffering more severely from the pandemic impacts than others. The Legislature continues to lack authority to appropriate federal funds, and the prohibition extends to ARP funds as it did to CARES Act funds.

Further, as with the CARES Act funds, use of ARP funds is governed by rules issued by the Department of Treasury. As of present time, the Department of Treasury has yet to issue final guidance regarding use of ARP funds. However, on May 10, 2021, the Department of Treasury issued its Interim Final Rule (“Interim Rule”), which established eligibility criteria for the use of ARP funds. The Interim Rule provides that ARP funds are eligible for use to provide assistance to households or populations facing negative economic impacts due to COVID-19. Notably, the RISE Act did not include such eligibility requirements.

The RISE Act was further plagued by eligibility requirements that rendered it onerous to implement. Specifically, the RISE Act required applicants to submit a mayor’s verification to ensure residency. However, this requirement unnecessarily overwhelmed our mayor’s offices with requests despite the fact that residency could be easily and efficiently ascertained by referring to filed tax returns. The RISE Act further required that applicants submit an “employment certification,” which is not defined in the Act or in any other Guam statute.

In recognition of the operational flaws of the RISE Act, the Legislature has presented me with two additional bills, Bills No. 75-36 and 164-36, “Hail Mary” efforts to cure the problems with the original Act. However, the bills contain conflicting amounts for payments, and if both were signed into law, would be impossible to reconcile, operationalize, and implement. Though some among the Legislature have attempted to pass off the conflict as a deliberate strategy to “give [me] options,” the Legislature is not in the general practice of presenting a governor with options in the form of conflicting bills. It is clear that the authors of these bills did not even attempt to reconcile their positions and present a unified bill, a disappointing but sure sign of a failure of leadership and bold attempts to claim credit for rescuing a floundering program.

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UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

Perhaps most problematic is that, in an attempt to push through bills that simplistically remove eligibility impediments, the Legislature has, again, overlooked the forest for the trees. We cannot indiscriminately disburse ARP funds to individuals. Treasury guidance requires that jurisdictions consider whether and the extent to which the affected population experienced economic harm as a result of the pandemic. Neither bill before me addresses this critical oversight. And ultimately, these bills still purport to appropriate federal funds, authority the Legislature did not have when it passed the RISE Act, and authority it certainly does not have now.

Providing aid to individuals and families adversely affected economically by the COVID-19 pandemic is important to me and Lt. Governor Josh Tenorio, as evidenced by the multitude of programs we have implemented to provide support for our communities during the public health emergency. We intend to continue these efforts, beginning with direct aid to individuals and families through the ALL RISE Program, which I re-established in Executive Order No. 2021-18, issued on August 12, 2021. The ALL RISE Program not only streamlines processes for providing direct aid to the members of our community who need it the most as expeditiously and efficiently as possible, it expands eligibility to include those the Legislature arbitrarily excluded from the RISE Act, including our government workers and retirees.

Though the intent behind the RISE Act was laudable, our people should not have to wait for the Legislature to piecemeal correct the issues with its attempt at a direct aid program until it finally gets it right. Our community needs relief now, and our administration will get it to them, just as we have done time and again during the entire pandemic relief effort.

For all these reasons, I veto Bills No. 75-36 and 164-36.

Senseremente,

A handwritten signature in blue ink, reading "Lourdes A. Leon Guerrero".

LOURDES A. LEON GUERRERO
Maga'hāgan Guāhan
Governor of Guam


Enclosure(s): BILL NO. 75-36 (COR)-VETO; BILL NO. 164-36 (COR)- VETO

cc: *Honorable Joshua F. Tenorio, Sigundo Maga'lāhen Guāhan*
Compiler of Laws


I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2021 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*


This is to certify that **Substitute Bill No. 75-36 (COR), "AN ACT TO AMEND SECTIONS 2(c), 2(d)(1), 3, 4, 5, AND 6, AND REPEAL SECTION 2(d)(2) OF PUBLIC LAW 35-136; AND AMEND SECTIONS 1(d), 4, 5, 6, AND 8 OF "EXHIBIT A" OF PUBLIC LAW 35-136, RELATIVE TO AMENDING PROVISIONS OF THE RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) ACT OF 2020, TO INCLUDE INCREASING THE AMOUNT OF THE PAYMENT, REMOVING CERTAIN ELIGIBILITY REQUIREMENTS, AMENDING THE AUTHORIZED BUDGET, AND EXTENDING THE DEADLINE FOR THE PAYOUT BY SIX (6) MONTHS,"** was on the 6th day of August 2021, duly and regularly passed.


Therese M. Terlaje
Speaker

Attested:


Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 7th day of August, 2021, at 4:30 o'clock P.M.


Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: _____

Public Law No. _____

2021-14303

GOVERNOR
CENTRAL FILES

Elaine Tajalle

RECEIVED BY

4:30 pm

AUG 11 7 2021

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2021 (FIRST) Regular Session

Bill No. 75-36 (COR)

As substituted by the Committee on General Government Operations,
Appropriations, and Housing.

Introduced by:

James C. Moylan
V. Anthony Ada
Christopher M. Dueñas
Frank Blas Jr.
Joanne Brown
Tina Rose Muña Barnes
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *AMEND* SECTIONS 2(c), 2(d)(1), 3, 4, 5, AND 6, AND *REPEAL* SECTION 2(d)(2) OF PUBLIC LAW 35-136; AND *AMEND* SECTIONS 1(d), 4, 5, 6, AND 8 OF "EXHIBIT A" OF PUBLIC LAW 35-136, RELATIVE TO AMENDING PROVISIONS OF THE *RECOVERY INCOME SUPPORT AND EMPOWERMENT (RISE) ACT OF 2020*, TO INCLUDE INCREASING THE AMOUNT OF THE PAYMENT, REMOVING CERTAIN ELIGIBILITY REQUIREMENTS, AMENDING THE AUTHORIZED BUDGET, AND EXTENDING THE DEADLINE FOR THE PAYOUT BY SIX (6) MONTHS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that Governor Lou Leon Guerrero allowed Bill No. 340-35 (COR), the *Recovery Income Support and Empowerment (RISE) Act of 2020*, to lapse into law as Public

1 Law 35-136 on December 29, 2020. The measure proposed a one (1)-time payment
2 of Eight Hundred Dollars (\$800) for eligible individuals and One Thousand Six
3 Hundred Dollars (\$1,600) for those filing joint returns, with specific eligibility
4 requirements in place. While funding options were noted in the legislation, no plan
5 of action was provided by the administration on if, or even when, the payouts would
6 take place as the new law stipulated.

7 Many qualified island residents have been waiting for the funds from the RISE
8 Act for months and, unfortunately, have yet to hear back from the administration on
9 any timelines. Bill No. 340-35(COR), introduced by former Senator Regine Biscoe-
10 Lee, was intended to help eligible families address critical needs. With a new federal
11 relief program providing adequate funding for Guam, the payout assistance from
12 P.L. 35-136 may finally be disbursed; however, because of the Government's failure
13 to provide adequate information and timelines for qualified recipients, it is only
14 proper to provide a moderate increase in the payout to provide families with the
15 additional support.

16 The payout from the RISE Act would provide a much-needed economic
17 infusion for the island, and even if fifty percent (50%) of the funds are expended at
18 island businesses, nearly Nineteen Million Dollars (\$19,000,000) would circulate
19 within Guam's economy. This would equate to a new tax base, along with additional
20 displaced employees being called back to work.

21 **Section 2.** Section 2(c) of Public Law 35-136 is hereby *amended* to read as
22 follows:

23 “(c) In the case of an eligible individual, there shall be allowed a one-
24 time payment up to the sum of One Thousand Dollars (\$1,000). In the case
25 of eligible individuals filing a joint return, there shall be allowed a one-time
26 payment up to the sum of Two Thousand Dollars (\$2,000), subject to Section
27 2(d)(1) of this Act.”

Section 3. Section 2(d)(1) of Public Law 35-136 is hereby *amended* to read as follows:

“(d) Eligibility of RISE Program. Eligible individuals, to include eligible individuals filing a joint return, are those Guam taxpayers who filed returns in the tax year 2020. Such returns must be deemed validly filed and processed by the Department of Revenue and Taxation.

(1) For purposes of this Section, the term eligible individual means any individual other than:

(A) a nonresident alien individual;

(B) a deceased individual; or

(C) an estate or trust.”

Section 4. Section 2(d)(2) of Public Law 35-136 is hereby *repealed*.

Section 5. Section 3 of Public Law 35-136 is hereby *amended* to read as follows:

“**Section 3. Implementation.** Upon enactment of this Act, the Department of Revenue and Taxation shall implement the Program.”

Section 6. Section 4 of Public Law 35-136 is hereby *amended* to read as follows:

“**Section 4. Delivery of Payments.** Notwithstanding any other provision of law, or rule or regulation, the Director shall certify and disburse payments pursuant to this Act. No payment shall be made or allowed under this Act after June 30, 2022.”

Section 7. Section 5 of Public Law 35-136 is hereby *amended* to read as follows:

“**Section 5. Funding.** Notwithstanding any other provision of law, or rule or regulation, *I Maga'hågan Guåhan* is authorized to transfer up to the amount needed to pay all qualified applicants pursuant to the requirements set

1 forth in this Act, plus any additional amount needed for administrative costs,
2 to the Department of Revenue and Taxation, for the purposes of this Act, as
3 may be available from the following:

4 (a) Fiscal Year 2021 General Fund appropriations; and

5 (b) any federal appropriations that can be used for the
6 purposes of this Act.

7 No local funds may be used for this Program as long as federal funds
8 that can be used for the purposes of this Act are available to encumber,
9 obligate, or expend. Any funds transferred pursuant to this Act shall only be
10 used for the purposes of this Act. Payments under this Act shall be required
11 only if payments can be funded under a federal coronavirus relief package or
12 such other federal funds as are appropriate and lawful.”

13 **Section 8.** Section 6 of Public Law 35-136 is hereby *amended* to read as
14 follows:

15 “**Section 6. Reporting.** Sixty (60) days from the implementation of
16 the Program, the Department of Revenue and Taxation and the Department of
17 Administration shall submit a report to the Speaker of *I Liheslaturan Guåhan*,
18 which shall include the cumulative amount of payments made under the
19 Recovery Income Support and Empowerment (RISE) Program, and the total
20 administrative costs to facilitate this Act. Following the initial report, the
21 Department of Revenue and Taxation and the Department of Administration
22 shall continue to provide reports to the Speaker of *I Liheslaturan Guåhan*,
23 pursuant to this Section every thirty (30) days until June 30, 2022.”

24 **Section 9.** Section 1(d) of the “Exhibit A” Rules and Regulations of Public
25 Law 35-136 is hereby *amended* to read as follows:

26 “(d) an individual other than:

27 (1) a nonresident alien individual;

- (2) a deceased individual; or
(3) an estate or trust.”

Section 10. Section 4 of the “Exhibit A” Rules and Regulations of Public Law 35-136 is hereby *amended* to read as follows:

“**Section 4. Filing a Claim for Payment.** Eligible individuals must register at the website specified by the Department of Revenue and Taxation to fill out and submit the application online, along with the required documents pursuant to Section 5, or must file an application and submit the required documents in such other form as prescribed by the Director. The Department of Revenue and Taxation shall continue to accept applications for the *RISE Act of 2020*, pursuant to Public Law 35-136, for up to six (6) months from the implementation date of the Program.”

Section 11. Section 5 of the “Exhibit A” Rules and Regulations of Public Law 35-136 is hereby *amended* to read as follows:

“**Section 5. Required Documents.** The following documentation must be submitted to qualify for payment under the Program. Additional documentation may be required, as deemed necessary, upon verification of the documentation listed in this Section. These documents shall be subject to review and verification. Applications will be processed, on a first-in, first-out basis, only when they are completed, including all required documents.

(a) Completed Form 8821, *Tax information Authorization*, to authorize the Department of Revenue and Taxation to inspect and receive Guam Form 1040 Individual Income Tax Return and return information for tax years 2020 and 2019 submitted by individuals, for the purpose of administering the Program;

(b) Copy of Form SSA-1099 or Form RRB-1099, *Social Security Benefit Statement*, for calendar year 2020, if an individual is

1 an SSB recipient who is not required to file tax return for tax years 2020
2 or 2019;

3 (c) Social security card number(s) for individuals; and

4 (d) Application for RISE Program.”

5 **Section 12.** Section 6 of the “Exhibit A” Rules and Regulations of Public Law
6 35-136 is hereby *amended* to read as follows:

7 “**Section 6. Payment Amount.** A one-time payment of One Thousand
8 Dollars (\$1,000) shall be allowed for each eligible individual; and Two
9 Thousand Dollars (\$2,000) in the case of eligible individuals filing a joint
10 return.”

11 **Section 13.** Section 8 of the “Exhibit A” Rules and Regulations of Public Law
12 35-136 is hereby *amended* to read as follows:

13 “**Section 8. Funding.** The maximum amount allowed to be paid under
14 the Program, not including administrative costs, shall be based on the total of
15 all qualified applicants who apply within the timelines pursuant to the *RISE*
16 *Act of 2020*.”

17 **Section 14. Severability.** If any provision of this Act or its application to any
18 person or circumstance is found to be invalid or contrary to law, such invalidity shall
19 not affect other provisions or applications of this Act that can be given effect without
20 the invalid provision or application, and to this end the provisions of this Act are
21 severable.

22 **Section 15. Effective Date.** This Act shall be effective upon enactment.