

I Mina'trentai Siette 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
16-37 (COR)	Joe S. San Agustin Roy Anthony Benavente Quinata	AN ACT TO ADD A NEW § 75122(c)(2)(A) TO CHAPTER 75 OF TITLE 21, GUAM CODE ANNOTATED RELATIVE TO REQUIRING THE CHAMORRO LAND TRUST TO SOLICIT COMPETITIVE BIDS FOR THE MASS GRADING AND MINERAL EXTRACTION OF A PORTION OF LOT 5412, MANGILAO.	1/26/23 2:04 p.m.	1/26/23	Committee on Health, Land, Justice, and Culture			Request: 1/26/23 2/8/23	




COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

February 8, 2023

To: RennaeVanessa C. Meno
Clerk of the Legislature

From: Senator Chris Barnett 
Chairperson, Committee on Rules

Subject: Fiscal Note for Bill No. 16-37 (COR)

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 16-37 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 16-37 (COR)**

AN ACT TO ADD A NEW §75122(c)(2)(A) TO CHAPTER 75 OF TITLE 21, GUAM CODE ANNOTATED RELATIVE TO REQUIRING THE CHAMORRO LAND TRUST TO SOLICIT COMPETITIVE BIDS FOR THE MASS GRADING AND MINERAL EXTRACTION OF A PORTION OF LOT 5412, MANGILAO.

Department/Agency Appropriation Information

Dept./Agency Affected: Chamoru Land Trust Comission		Dept./Agency Head: Angela M. Camacho, Administrative Director	
Department's General Fund (GF) appropriation(s) to date:			\$424,296
Department's Other Fund: Chamoru Land Trust Operations Fund (\$854,963) CLTC Survey and Infrastructure Fund (\$128,099)			\$983,062
Total Department/Agency Appropriation(s) to date:			\$1,407,358

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107 thru 36-XX)	\$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 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund 1/	\$0	1/	\$0	\$0	\$0	\$0
Total	\$0	1/	\$0	\$0	\$0	\$0

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

Analyst: <u>Anthony Quitagua, BMA-1</u>	Date: <u>2/7/23</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>FEB 08 2023</u>
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1/ See attached comments

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 16-37 (COR)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	\$0	\$0	\$0	\$0	\$0
Other Fund: 1/	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Total	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Comments:

As noted in the legislative findings and intent of Bill 16-37, Guam's construction industry now requires approximately 1.5 million cubic yards of limestone aggregate per year, and the current market rate for quality limestone is approximately Two Dollars (\$2.00) per cubic yard. Extraction operations at the undeveloped portion of Lot 5412 may potentially yield up to One Million Dollars (\$1,000,000) per year for the CLTC during the next 6 years. Also, per Bill 16-37, all income arising out of any lease or license pursuant to this legislation shall be credited to and deposited in the CHamoru Land Trust Survey and Infrastructure Fund until 2025, and to the CHamoru Home Loan Fund thereafter.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 16-37 (COR)

The proposed legislation is an act to add a new §75122(c)(2)(A) to Chapter 75 of Title 21, Guam Code Annotated relative to requiring the CHamoru Land Trust Commission (CLTC) to solicit competitive bids for the mass grading and mineral extraction of a portion of Lot 5412, Mangilao. This bill intends to accomplish three objectives: first, generate approximately Six Million Dollars (\$6,000,000) in revenue through the sale of limestone aggregate; second, create a sustainable revenue source by leasing a pad for a new public service building; and third, create new homestead lots.

Upon enactment of Bill No. 16-37, the CLTC must first determine whether the undeveloped portion of Lot 5412 falls within 9% of its total remaining unassigned CLTC land area inventory. If so, the CLTC shall approve Lot 5412 for mineral extraction and with *Liheslatura's* approval, immediately announce a competitive Request for Proposals (RFPs) for a license for mass grading and mineral extraction. Bill No. 16-37 outlines the requirements of the RFP for mass grading and mineral extraction for each bidder. It should be noted that all income arising out of any lease or license shall be credited to and deposited in the CHamoru Land Trust Survey and Infrastructure Fund until 2025, and to the CHamoru Home Loan Fund thereafter.

The Bureau anticipates a potential cost impact of \$5,824 to the CLTC in terms of advertising the RFP in the two local newspapers for a period of one month. This estimation is based on the cost of \$364 for a quarter page ad placed in the Guam Daily Post and factoring the RFP being posted twice a week for one month.

The Bureau had sought input on Bill 16-37 from the CLTC and have not received any official comments as of the date of this fiscal note relative to the proposed revenue source and the intended objectives to be supported by it.