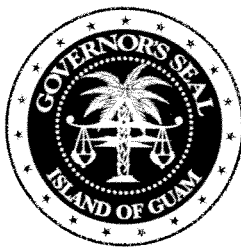


I Mina'Trentai Dos Na Liheslaturan Guahan
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
29-32 (COR), P.L. 32-022	V.C. Pangelinan	AN ACT TO ADD §60114.1 AND §60114.2 TO CHAPTER 60 OF 21 GUAM CODE ANNOTATED RELATIVE TO COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY.	1/30/13 9:03 A.M.	1/30/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and land			Fiscal Note Requested 2/13/13 Fiscal Notes Submitted 3/26/13 11:15 A.M.
	DATE PASSED	TITLE	TRANSMITTED		DUE DATE	<small>DATE SIGNED BY I MAGA'LAHEN GUAHAN</small>	PUBLIC LAW NO.	NOTES
	4/1/2013	AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY	4/2/13	12:10pm	4/12/2013	4/15/2013	32-022	As amended by the Committee on Appropriations Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land; and further amended on the Floor. 5/9/13-P.L. Received

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

May 3, 2013

Honorable Judith T. Won Pat, Ed.D
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

RE: Bill No. 29-32

Dear Madame Speaker:

Transmitted herewith is Bill No. 29-32, "AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY" which was enacted into law without the signature of *I Maga'lahren Guåhan* as Public Law 32-022.

The imposition of business privilege taxes and real estate taxes on commercial leases by autonomous agencies, public corporations and other public instrumentalities is one that must be balanced against the realization that autonomous agencies and instrumentalities are self-sustaining, and as a consequence, they rely heavily on revenue earned from commercial leases. Although new Public Law 32-022 provides that taxes shall not be levied in situations which affect the revenue neutrality of an autonomous instrumentality to the potential determinant of existing bond ratings, it cannot be denied that taxation of leasehold revenue impacts to some extent an instrumentality's operations and non-operational activities.

It is for these reasons that I urge *I Liheslatura* to consider finding alternative programs or credits which would aid autonomous instrumentalities in lessening any negative financial impact that may result from Public law 32-022.

Senseramente,

EDDIE BAZA CALVO

32-13-387
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 5/9/13
Time 11:12 AM
Received by *Jain*

2013 MAY -9 AM 11:19
on

Attachment: Copy of Bill

I MINA 'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

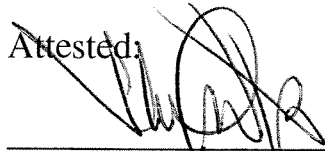
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 29-32 (COR), "AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY", was on the 1st day of April, 2013, duly and regularly passed.



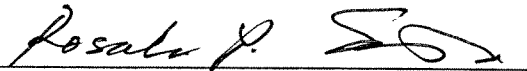
Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 2 day of April,
2013, at 12:10 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: APR 15 2013

Public Law No. 32-022

I MINA 'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 29-32 (COR)

As amended by the Committee on Appropriations
Legal Affairs, Retirement, Public Parks, Recreation,
Historic Preservation and Land; and further amended on the Floor.

Introduced by:

Vicente (ben) C. Pangelinan
B. J.F. Cruz
T. C. Ada
V. Anthony Ada
Frank B. Aguon, Jr.
Chris M. Dueñas
M. T. Lintiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
R. J. Respicio
Dennis G. Rodriguez, Jr.
Michael F. Q. San Nicolas
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 the government of Guam has transferred and entrusted portions of government-owned

1 land to autonomous agencies, public corporations, and other public instrumentalities
2 and has allowed them to lease these lands to other entities for commercial purposes;
3 and further finds that these autonomous agencies, public corporations, and other
4 public instrumentalities have been exempt from applicable taxes on the income
5 generated from these leases, giving them an unfair advantage over private landowners
6 and developers due to the below market pricing created by this tax exemption.

7 *I Liheslaturan Guåhan* created the Guam Ancestral Lands Commission (GALC) and
8 the *Chamorro* Land Trust Commission (CLTC), who are tasked to oversee and care for
9 parcels of land deemed for the native inhabitants of our island community, but who,
10 however, lack the necessary funding to provide compensation and infrastructure to
11 appropriately administer the lands entrusted to them; and it is the intent of
12 *Liheslaturan Guåhan* that *if and when* the government agencies no longer have use for
13 these lands, those lands *shall* be returned to the inventory of the GALC for return to the
14 original landowners, and/or development of land; *or* for return to the CLTC to lease to
15 qualified indigent individuals, and/or development of land.

16 *I Liheslaturan Guåhan* further intends to generate revenue derived from the
17 leasing of lands transferred to the autonomous agencies, public corporations, and other
18 public instrumentalities of the government of Guam to provide necessary resources to
19 the GALC and the CLTC for the implementation of programs to benefit their
20 respective beneficiaries.

21 **Section 2.** New §§60114.1 and 60114.2 are hereby *added* to Article 1 of
22 Chapter 60, Title 21, Guam Code Annotated, to read as follows:

23 **“§ 60114.1. Applicable Taxes on Leasing of Land by Autonomous**
24 **Agencies, Public Corporations, and Other Public Instrumentalities of the**
25 **Government of Guam for Commercial Purposes.**

26 Taxes *shall* be applied to lands leased as stipulated in §60114 of this
27 Chapter.

1 (a) Notwithstanding §26203(a) of Chapter 26, Article 2, Title 11,
2 Guam Code Annotated, business privilege tax *shall* be paid on all income
3 received as lease payments on commercial leases by autonomous agencies,
4 public corporations, and other public instrumentalities of the government of
5 Guam.

6 (b) Notwithstanding §24401(a) of Chapter 24, Article 4, Title 11,
7 Guam Code Annotated, real estate tax *shall* be paid on the leasehold and all
8 improvements constructed on lands leased in commercial leases by autonomous
9 agencies, public corporations, and other public instrumentalities of the
10 government of Guam.

11 **§60114.2. Deposit of Funds Collected.** All taxes identified in
12 §60114.1 *shall* be divided equally and deposited in the Guam Ancestral Lands
13 Commission (GALC) “Land Bank Fund” and the *Chamorro* Land Trust
14 Commission (CLTC) “*Chamorro* Home Development Fund” for the
15 development of infrastructure improvements on land trust residential and
16 agricultural lands. Both Commissions *shall* report on a quarterly basis to the
17 Speaker of *I Liheslaturan Guåhan* of the revenues collected and expended from
18 each fund and post the same on each Commission’s website. The funds *shall* be
19 subject to periodic audits by the Guam Public Auditor.”

20 **Section 3.** §26203(a) of Article 2, Chapter 26 of Title 11, Guam Code
21 Annotated, is hereby *amended* to read as follows:

22 **“§ 26203. Exemptions.**

23 The provisions of this Article, and the taxes levied thereunder, *shall*
24 *not* apply to the following persons:

25 (a) The government of Guam, *except* as authorized in
26 §60114.1(a) of Article 1 of Chapter 60, Title 21, Guam Code
27 Annotated; the government of the United States; the government of

1 any foreign sovereignty; and any agency or instrumentality of any of
2 the foregoing governments in regard to any activity or function
3 engaged in.

4 (1) Notwithstanding this Subsection (a), taxes *shall*
5 *not* be levied against any autonomous agency, public
6 corporation, and other public instrumentalities of the
7 government of Guam with existing leases where a tax levy may
8 affect the revenue neutrality of that autonomous agency, public
9 corporation, and other public instrumentalities of the
10 government of Guam to the potential detriment of existing bond
11 ratings.”

12 **Section 4.** §24401(a) of Article 4 of Chapter 24, Title 11, Guam Code
13 Annotated, is hereby *amended* to read as follows:

14 **“§ 24401. Exemptions: Listed.**

15 The following property is exempt from real property taxes and *shall*
16 *not* be assessed:

17 (a) all property title to which is in the United States or the
18 government of Guam, *except* as authorized in §60114.1(b) of Article 1
19 of Chapter 60, Title 21, Guam Code Annotated; *except* for the interest
20 of a lessee or licensee in land owned and leased or licensed by the
21 *Chamorro* Land Trust Commission;

22 (1) Notwithstanding this Subsection (a), taxes *shall*
23 *not* be levied against any autonomous agency, public
24 corporation, and other public instrumentalities of the
25 government of Guam with existing leases where a tax levy may
26 affect the revenue neutrality of that autonomous agency, public
27 corporation, and other public instrumentalities of the



1 government of Guam to the potential detriment of existing bond
2 ratings.”

3 **Section 5. Severability.** If any of the provisions of this Act or the
4 application thereof to any person or circumstance is held invalid, such invalidity
5 *shall* not affect any other provision or application of this Act, which can be given.



FILE COPY

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
THIRTY-SECOND GUAM LEGISLATURE
155 Hesler Place, Hagåtña, Guam 96910

April 1, 2013

The Honorable Edward J.B. Calvo
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

OFFICE OF THE GOVERNOR
CENTRAL FILES

RECEIVED BY *[Signature]*
TIME 12:10 DATE 4/2/13

Dear *Maga'lahi* Calvo:

Transmitted herewith are Bill and Substitute Nos. 1-32(LS), 4-32(LS), 5-32(LS), 6-32(LS), 7-32(COR), 23-32(COR), 29-32(COR), 31-32(COR), 32-32(COR), 41-32(LS), 43-32(COR), 44-32(COR), 46-32(LS) and 54-32(COR) which were passed by *I Mina'Trentai Dos Na Liheslaturan Guåhan* on April 1, 2013.

Sincerely,

Tina Rose Muña Barnes
Senator and Legislative Secretary

Enclosures (14)

FILE COPY

I MINA 'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

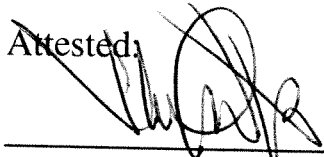
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 29-32 (COR)**, "AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY", was on the 1st day of April, 2013, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 2 day of April, 2013, at 12:10 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA 'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 29-32 (COR)

As amended by the Committee on Appropriations
Legal Affairs, Retirement, Public Parks, Recreation,
Historic Preservation and Land; and further amended on the Floor.

Introduced by:

Vicente (ben) C. Pangelinan
B. J.F. Cruz
T. C. Ada
V. Anthony Ada
Frank B. Aguon, Jr.
Chris M. Dueñas
M. T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
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AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY.

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17 Speaker of *I Liheslaturan Guåhan* of the revenues collected and expended from
18 each fund and post the same on each Commission’s website. The funds *shall* be
19 subject to periodic audits by the Guam Public Auditor.”

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27 Annotated; the government of the United States; the government of

1 any foreign sovereignty; and any agency or instrumentality of any of
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3 engaged in.

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21 *Chamorro* Land Trust Commission;

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27 corporation, and other public instrumentalities of the

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2 ratings.”

3 **Section 5. Severability.** If any of the provisions of this Act or the
4 application thereof to any person or circumstance is held invalid, such invalidity
5 *shall* not affect any other provision or application of this Act, which can be given.

LEGISLATIVE SESSION ATTENDANCE

I MINA'TRENTAI DOS NA LIHESLATURAN

2013 (FIRST) Regular Session

Voting Sheet

ABill No: 29-32 (COR)

Speaker Antonio R. Unipingco Legislative Session Hall

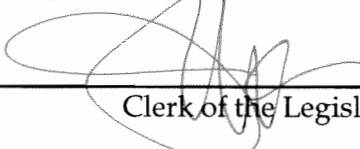
AN ACT TO ADD NEW §§60114.1 AND 60114.2 TO ARTICLE 1 OF CHAPTER 60 OF TITLE 21, GUAM CODE ANNOTATED; AND TO AMEND §26203(a) OF ARTICLE 2 OF CHAPTER 26, AND §24401(a) OF ARTICLE 4 OF CHAPTER 24, ALL OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM

NAME	Yea	Nay	Not Voting/ Abstained	Out During Roll Call	Absent
Senator Thomas "Tom" C. ADA		✓			
Senator V. Anthony "Tony" ADA	✓				
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ	✓				
Senator Christopher M. DUENAS		1 ✓			
Senator Michael LIMTIACO		1 ✓			
Senator Brant McCREADIE	✓				
Senator Thomas "Tommy" MORRISON	✓				
Senator Tina Rose MUÑA BARNES	✓				
Senator Vicente (ben) Cabrera PANGELINAN	✓				
Senator Rory J. RESPICIO		✓			
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓				
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.	✓				

TOTAL

(11) (4)

CERTIFIED TRUE AND CORRECT:


 Clerk of the Legislature

4/11/13



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

2013 MAR 26 AM 11:15
WJW

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Senator
Vicente (Ben) C. Pangelinan
Member

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Senator
Dennis G. Rodriguez, Jr.
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Vice-Speaker
Benjamin J.F. Cruz
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Legislative Secretary
Tina Rose Muña Barnes
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

March 26, 2013

Memorandum

To: **Reanne Meno**
Clerk of the Legislature

From: **Senator Rory J. Respicio**
Chairperson, Committee on Rules

Subject: **Fiscal Notes**

Hafa Adai!

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

FISCAL NOTES:

Bill Nos.: 5-32 (LS), 11-32 (COR), 29-32 (COR), 35-32 (COR), 39-32 (COR), 47-32 (COR), 56-32 (COR), and 59-32 (COR)

WAIVERS:

Bill Nos.: 23-32 (COR), 58-32 (COR), and 67-32 (COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO
GOVERNORJOHN A. RIOS
DIRECTORRAY TENORIO
LIEUTENANT GOVERNOR

MAR 25 2013

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Unu na Liheslaturan Guåhan
The 31st Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR) and 67-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 29-32 (COR)**

AN ACT TO ADD §60114.1 AND §60114.2 TO CHAPTER 60 OF 21 GUAM CODE ANNOTATED RELATIVE TO COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GOVERNMENT OF GUAM PROPERTY.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Land Management		Dept./Agency Head: Monte Mafnas, Director	
Department's General Fund (GF) appropriation(s) to date:		\$509,775	
Department's Other Fund (Land Survey Revolving Fund - \$3,227,764; Chamorro Land Trust Operations Fund - \$639,954) appropriation(s) to date:		3,867,718	
Total Department/Agency Appropriation(s) to date:		\$4,377,493	

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$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 2013	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / x / Yes / / No
If Yes, see attachment. 1/
- 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? / / 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: William P. Tattinglog Date: 3/21/13 Director: John A. Rios Date: **MAR 25 2013**
 William P. Tattinglog, BMA Supvr. John A. Rios, Director

Footnotes:
1/ See attachment to fiscal note.

**Bureau of Budget & Management Research
Attachment to Fiscal Note No. 29-32 (COR)**

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	\$0	\$0	\$0	\$0	\$0
Land Bank Fund	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Chamorro Home Development Fund	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Total	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000

Comments:

1/ The intent of this Bill is to generate revenues derived from the leasing of lands transferred to the autonomous agencies, public corporations, and other public instrumentalities of the Government of Guam to provide necessary resources to the Guam Ancestral Lands Commission (GALC) and the Chamorro Land Trust Commission (CLTC) for the implementation of programs to benefit their respective beneficiaries.

Section 2 adds a new §60114.1 which provides that (a) Business privilege tax shall be paid on all income received as lease payments on commercial leases by such entities of the Government of Guam, (2) Real estate tax shall also be paid on all improvements constructed on lands leased in commercial leases by the aforementioned entities. A new §60114.2 is also added, and provides that all taxes identified in §60114.1 *shall* be divided equally and deposited in the GALC's "Land Bank" Fund and CLTC's "Chamorro Home Development Fund" for the development of infrastructure improvements on land trust residential and agricultural lands.

The projected amount of revenues to be derived could be considerable based on information from the Department of Land Management that there may be as much as 740 transferred properties. For example, based on testimony provided by the Guam Economic Development Authority on the proposed measure (Ref: MV Article, GEDA opposes lease tax bill; Tuesday, March 19, 2013), GEDA indicated that it receives \$1.2M to \$1.5M from the leases. As such, should the Business privilege tax of four percent (4%) is applied on the income of its leases, it is estimated that as much as \$48,000 to \$60,000 will be generated, divided equally and then deposited into the respective Funds. This estimate does not include any real estate taxes on improvements of properties being leased. Furthermore, this estimate is for GEDA alone and does not include all other autonomous agencies, public corporations, and other public instrumentalities of the government of Guam with similar income from leased properties. Other information necessary to determine the overall potential revenue impact such as the total number of properties with qualifying existing leases by applicable entities, the income generated by these leases and the real estate taxes applicable to improvements on such properties are not readily available.

Please see also the attached comments from the Department of Land Management.

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

JOHN A. RIOS
DIRECTOR

RAY TENORIO
LIEUTENANT GOVERNOR

FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 23

If you do not receive legible copies of all the pages, please call back as soon

as possible. Phone numbers (671) 475-9412/9450. Fax number (671) 472-2825

RE: Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR), and 67-32(COR).

COMMENTS: Fiscal Notes to be picked up via Central Files.

Thank You!



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
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Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

February 13, 2013

VIA FACSIMILE

(671) 472-2825

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Note – Bill Nos. 19-32 through 40-32 (COR) and Bill No. 41-32 (LS)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bill. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bill.

Si Yu'os ma'åse' for your attention to this matter.

Very Truly Yours,


Senator Rory J. Respicio
Chairperson, Committee on Rules

Attachments

Cc: Clerk of the Legislature

2013 FEB 14 AM 9:10

W

Bill No. 19-32(COR) – C.M. Duenas / B.J.F. Cruz / T.A. Morrison

AN ACT TO AMEND CHAPTER 7, TITLE 3, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO CAPTURING LICENSE FEES AND TAXES FORM GAMING OPERATORS.

Bill No. 20-32 (COR) – D.G. Rodriguez, Jr.

AN ACT TO ESTABLISH A HEALTHCARE TRUST AND DEVELOPMENT FUND, BY ADDING A NEW CHAPTER 97 TO TITLE 10, GUAM CODE ANNOTATED, AND AUTHORIZING THE EXPENDITURE OF MONIES IN THE FUND BY PUBLIC HEALTH CARE PROVIDERS FOR SPECIFIC PURPOSES PERTAINING TO EXTINGUISHING THE OUTSTANDING DEBT PAYABLES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY, AND PROVIDE EXPANDED HEALTHCARE SERVICES BY ESTABLISHING AND FUNDING A GMHA PRIMARY HEALTHCARE OR URGENT HEALTHCARE CENTER FOR NON-EMERGENCY PATIENTS; THIS ACT TO BE CITED AS "THE GMHA HEALTHCARE TRUST AND DEVELOPMENT ACT OF 2013."

Bill No. 21-32 (COR) – B.J.F. Cruz

AN ACT TO AMEND § 66104.2 OF CHAPTER 66, TITLE 10, OF THE GUAM CODE ANNOTATED; RELATIVE TO THE EMPLOYMENT OF CIVILIAN VOLUNTEER POLICE RESERVE OFFICERS.

Bill No. 22-32 (COR) – F.B. Aguon, Jr.

AN ACT TO AMEND §2103.12, CHAPTER 2, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO ACTING APPOINTMENTS IN EXCESS OF NINETY (90) DAYS.

Bill No. 23-32 (COR) – A.A. Yamashita, T.R. Muna Barnes

AN ACT TO PLACE THE FORMER AGAT FIRE STATION UNDER THE ADMINISTRATIVE JURISDICTION OF THE MAYOR'S OFFICE OF AGAT, BY AMENDING ITEM(1) OF §40113(B) OF CHAPTER 40, TITLE 5, GUAM CODE ANNOTATED.

Bill No. 24-32 (COR) – F.B. Aguon, Jr.

AN ACT TO AMEND §7120.3 OF CHAPTER 7, TITLE 16, OF THE GUAM CODE ANNOTATED RELATIVE TO WAIVER OF FEES FOR IMMEDIATE KIN OF FALLEN HEROES.

Bill No. 25-32 (COR) – D.G. Rodriguez, Jr.

AN ACT TO REPROGRAM AVAILABLE FUNDS FROM THE HIGHWAY 2001 BOND CONSTRUCTION FUND AND THE HIGHWAY 1985 BOND CONSTRUCTION FUND, AND DESIGNATE AND PRIORITIZE CERTAIN CAPITAL IMPROVEMENT PROJECTS, AND PURCHASE HEAVY EQUIPMENT NEEDED BY DPW FOR FLOOD MITIGATION.

Bill No. 26-32 (COR) – B.J.F. Cruz / V.A. Ada / T.R. Muna Barnes

AN ACT TO ADD A NEW § 8107.1 TO CHAPTER 8 OF TITLE 5, GUAM CODE ANNOATED; RELATIVE TO MANDATING THE CREATION OF THE 'GUAM PUBLIC NOTICE WEBSITE', AMENDING (A) OF §8104 CHAPTER 8 OF TITLE 5 GUAM CODE ANNOTATED AND ADDING (C) OF §8104 CHAPTER 8 OF TITLE 5 GUAM CODE ANNOATED.

Bill No. 27-32 (COR) – F.V. Aguon, Jr.

AN ACT TO ADD A NEW §850 TO TITLE 1, GUAM CODE ANNOTATED, TO DESIGNATE ROUTE 15 AS "AIR FORCE HIGHWAY" IN HONOR OF AND SPECIAL TRIBUTE TO THE MEN AND WOMEN OF GUAM WHO HAVE SERVED IN THE UNITED STATES AIR FORCE.

Bill No. 28-32 (COR) – A.A. Yamashita

AN ACT RELATIVE TO AUTHORIZING THE RE-ALLOCATION OF UNDISTRIBUTED COLLECTION FUNDS BY THE CHILD SUPPORT ENFORCEMENT DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL, TO PROVIDE FOR THE CRITICAL SUPPORT NEEDED FOR CHILD SUPPORT AND PROTECTIVE SERVICES; THROUGH AMENDING §34111 OF CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED.

Bill No. 29-32 (COR) – V.C. Pangelinan

AN ACT TO ADD §60114.1 AND §60114.2 TO CHAPTER 60 OF 21 GUAM CODE ANNOTATED RELATIVE TO COMPETITIVE EQUALIZATION ACT ON THE LEASING OF GUAM PROPERTY.

Bill No. 30-32 (COR) – M.T. Limtiaco

AN ACT TO AMEND 2 GCA § 1106 (a) AND TO REPEAL 2 GCA § 1106 (b), TO REDUCE SENATORS' SALARIES TO FIFTY-FIVE THOUSAND THREE HUNDRED SEVEN DOLLARS (\$55,307.00) PER ANNUM

Bill No. 31-32 (COR) – V.A. Ada

AN ACT TO ADD A NEW §5132 TO CHAPTER 5 OF 5GCA RELATIVE TO RETENTION OF PROCUREMENT RELATED EMAIL MESSAGES.

Bill NO. 32-32 (COR) –V.A. Ada

AN ACT TO ADD A NEW (e) TO §5008 OF CHAPTER 5 OF 5GCA RELATIVE TO PROHIBITING GOVERNMENT OF GUAM BRANCHES, DEPARTMENTS, AGENCIES AND INSTRUMENTALITIES FROM EXCLUDING LOCAL BUSINESSES FROM THE PROCUREMENT PROCESS

Bill NO. 33-32 (COR) – V.A. Ada / R.J. Respicio

AN ACT TO AMEND §7105 OF CHAPTER 7 OF 16GCA RELATIVE TO REQUIRING PROOF OF USE TAX PAYMENT AS A CONDITION OF REGISTRATION FOR VEHICLES ACQUIRED OFF-ISLAND.

Bill NO. 34-32 (COR) – V.A. Ada / R.J. Respicio

AN ADD A NEW §§ 7178 & 7179 TO 16GCA RELATIVE TO VEHICLE REGISTRATIONS

Bill No. 35-32 (COR) – V.C. Pangelinan

AN ACT TO ADD §§ 61314, 61315, 61316, 61317, 61318, 61319 AND 61320 TO CHAPTER 61 ARTICLE 3 OF 21 GUAM CODE ANNOTATED RELATIVE TO THE ENFORCEMENT OF ZONING LAWS

Bill No. 36-32 (COR) - M.F.Q. San Nicolas/ V.A. Ada

AN ACT TO ADD A NEW (e) AND (f) TO §30111 OF CHAPTER 30, TITLE 22, GUAM CODE ANNOTATED AND A NEW §24307.1, §24307.2, §24307.3, §24307.4, §24307.5, §24307.6, §24307.7 TO CHAPTER 24, TITLE 11 GUAM CODE ANNOTATED, RELATIVE TO REQUIRING REAL ESTATE APPRAISERS TO SUBMIT VALUATIONS TO THE DEPARTMENT OF REVENUE AND TAXATION AND TO AUTHORIZE THE DEPARTMENT OF REVENUE AND TAXATION TO ADJUST PROPERTY TAX ASSESSMENTS THEREWITH.

Bill No. 37-32 (COR) – F.B. Aguon, Jr. / R.J. Respicio / V.A. Ada

AN ACT TO REZONE LOT NO. 2247-REM, LOT NO. 2242-R1, LOT NO. 2244-R2, LOT NO. 2247 EASTERN PART-R1, AND LOT NUMBER 2247-PART-R1 IN THE MUNICIPALITY OF BARRIGADA FROM AGRICULTURAL ZONE (A) TO MULTIPLE DWELLING ZONE (R2).

Bill No 38-32 (COR) – Committee on Rules, Federal, Foreign & Micronesian Affairs, Human & Natural Resources and Election Reform

AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2014, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS.

Bill No. 39-32 (COR) – F.B. Aguon, Jr.

AN ACT TO AMEND §3103 OF CHAPTER 3, TITLE 7, OF THE GUAM CODE ANNOTATED RELATIVE TO ADDING A SUCCESSIVE TERM OF SERVICE FOR THE CHIEF JUSTICE OF THE SUPREME COURT OF GUAM.

Bill No. 40-32 (COR) – T.C. Ada/B.J.F. Cruz / R.J. Respicio

AN ACT TO AMEND §58111, CHAPTER 58, TITLE 10 GCA AND §73110, CHAPTER 73, TITLE 10 GCA, RELATIVE TO THE PENALTY CLASSIFICATION FOR VIOLATIONS OF THE FIRE CODE, AND TO AMEND §58112, CHAPTER 58, TITLE 10 GCA

Bill No. 41-32 (LS) – B.B. Aguon, Jr. / B.J.F. Cruz/ J.T. Won Pat, Ed.D.

AN ACT TO AMEND CHAPTER 30, TITLE 9 GUAM CODE ANNOTATED RELATIVE TO STRENGTHENING THE PENALTIES FOR CRIMES OF FAMILY VIOLENCE.

MESSAGE CONFIRMATION

FEB-13-2013 05:59 PM WED

FAX NUMBER : 4772240
NAME : GNF

NAME/NUMBER : 4722825
PAGE : 4
START TIME : FEB-13-2013 05:58PM WED
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RESULTS : [O.K]



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February 13, 2013

VIA FACSIMILE

(671) 472-2825

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Note – Bill Nos. 19-32 through 40-32 (COR) and Bill No. 41-32 (LS)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bill. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bill.

Si Yu'os ma'åse' for your attention to this matter.

Very Truly Yours,

Senator Rory J. Respicio
Chairperson, Committee on Rules

Attachments

Cc: Clerk of the Legislature

Received by:
Analya Sustagnio
2/14/13
sent by email on 2/13/13 07:10 AM



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I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature

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Member
MINORITY LEADER

Senator
Aline Yamashita
Member

January 29, 2013

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio** 
Majority Leader & Rules Chair

Subject: **Referral of Bill No. 26-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. **26-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

**I MINA' TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION**

Bill No. 29.32 (COR)

Introduced by:

V.C. Pangelinan 

B.J.F. Cruz 

2013 JAN 30 AM 9:03 

**AN ACT TO ADD §60114.1 AND §60114.2 TO CHAPTER
60 OF 21 GUAM CODE ANNOTATED RELATIVE TO
COMPETITIVE EQUALIZATION ACT ON THE
LEASING OF GOVERNMENT OF GUAM PROPERTY.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **SECTION 1. Legislative findings and intent.** *I Liheslaturan Guåhan* finds
2 the government of Guam has transferred and entrusted portions of government owned
3 land to autonomous agencies, public corporations, and other public instrumentalities
4 and has allowed them to lease these lands to other entities for commercial purposes.

5 *I Liheslaturan Guåhan* further finds that these autonomous agencies, public
6 corporations, and other public instrumentalities have been exempt from applicable
7 taxes on the income generated from these leases, giving them unfair advantage over
8 private landowners and developers due to the below market pricing created by this tax
9 exemption.

10 *I Liheslaturan Guåhan* further finds that *I Liheslaturan Guåhan* created the
11 Guam Ancestral Lands Commission (GALC) and the Chamorro Land Trust (CLT),
12 who are tasked to oversee and care for land parcels of land deemed for the native
13 inhabitants of our island community, however lack the necessary funding to provide
14 compensation and infrastructure to appropriately administer the lands entrusted to
15 them.

1 *I Liheslaturan Guåhan* further finds that *if* and *when* the government agencies no
2 longer have use for these lands, those lands shall be returned to the inventory of the
3 ALC for return to original landowners and/or development of land *or* for return to the
4 CLT to lease to qualified indigent individuals and/or corporations and development of
5 land.

6 *I Liheslaturan Guåhan* intends to generate revenue derived from the leasing of
7 lands transferred to the autonomous agencies, public corporations, and other public
8 instrumentalities of the government of Guam to provide necessary resources to the
9 GALC and the CLT for the implementation of programs to benefit their respective
10 beneficiaries.

11 **SECTION 2. §60114.1 and §60114.2 are hereby *added* to Chapter 60, 21**
12 **Guam Code Annotated to read as follows:**

13 **“§60114.1. Applicable taxes on leasing of land by autonomous agency,**
14 **public corporation, and other public instrumentalities of the government of Guam**
15 **for commercial purposes.**

16 Taxes *shall* be applied to lands leased as stipulated in §60114 of this Chapter.

17 (a) Business privilege tax *shall* be paid on all income received as lease
18 payments on commercial leases by autonomous agency, public
19 corporation, and other public instrumentalities of the government of
20 Guam.

21 (b) Real estate tax *shall* be paid on all improvements constructed on lands
22 leased in a commercial leases by autonomous agency, public
23 corporation, and other public instrumentalities of the government of
24 Guam.

25 **§60114.2. Deposit of Funds Collected.** All taxes identified in §60114.1 *shall*
26 be divided equally and deposited in the Guam Ancestral Lands Commission (GALC)
27 “Land Bank” Fund and the Chamorro Land Trust Commission’s (CLTC) “Chamorro

1 Home Development Fund” for the development of infrastructure improvements on
2 land trust residential and agricultural lands. Both Commissions shall report on a
3 quarterly basis to the Speaker of *I Liheslaturan Guåhan* the revenues collected and
4 expended from each fund and post the same on each Commission’s website. The funds
5 shall be subject to periodic audits by the Guam Public Auditor.”

6 **SECTION 3. Severability.** If any of the provisions of this Act or the
7 application thereof to any person or circumstance is held invalid, such invalidity
8 *shall* not affect any other provision or application of this Act which can be given
9 effect without the invalid provision or application, and to this end the provisions of
10 this Act are severable.