

MINA' TRENTAI KUÁTTRO NA LIHESLATURAN GUAHAN
2017 (FIRST) Regular Session

Bill No. 174 -34 ~~(S)~~ *SOP*

Introduced by:

Dennis G. Rodriguez, Jr. *DR*
Joe S. San Agustin *JS*

AN ACT ADD A NEW ARTICLE 7 TO CHAPTER 20 OF DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE DEPARTMENT OF ADMINISTRATION TO ASSESS A TWO PERCENT (2%) ACCOUNT MANAGEMENT FEE UPON ALL SPECIAL FUNDS ESTABLISHED SEPARATE AND APART FROM THE GENERAL FUND.

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

2 **Section 1. Legislative findings and intent.** *I Liheslaturan Guahan* finds
3 that there are nearly one hundred (100) special funds that have been created by the
4 Guam Legislature over the years. These special funds are intended to be separate
5 and apart from the transactions of the General Fund of the government of Guam.
6 These funds were primarily created to ensure revenues received are specifically
7 utilized for the purpose it was established. However, what has been ignored is the
8 administrative, human resource, and capital outlay costs required to properly
9 account and track these special funds.

10 These costs include unfunded expenses such as, but not limited to upgrades
11 to the financial systems, computers, network/stand-alone printers, payroll check
12 printer, accounts payable check printer, treasury check bursting, check signing
13 machine, treasury postage machine, and other associated costs for printer ink
14 cartridge toners, postage, envelopes and supplies required for, but not limited to the
15 issuance of tax refund checks, W-2 and 1099 forms, and other vendor checks.

2017 SEP -6 AM 11:00X

1 It is therefore the intent of *I Liheslaturan Guahan* to assess a 2% Account
2 Management Fee on all existing special revenue funds cash collections and to
3 statutorily require that all future special funds legislatively created include a
4 provision that assess a 2% Account Management Fee that will be appropriated and
5 allocated to the Department of Administration.

6 **Section 2.** A new Article 7 is added to Chapter 20 of Division 2, Title 5,
7 Guam Code Annotated, to read:

8 **“Article 7**

9 **Special Funds Account Management Fee**

10 **§ 20701. Purpose.** To provide for the assessment of a two percent (2%)
11 Account Management Fee for all special funds managed by the Department of
12 Administration to offset the associated costs of fund management by the
13 Department.

14 **§ 20702. Assessment of Account Management Fee on all Government of**
15 **Guam Special Funds.** The Department of Administration shall be authorized to
16 assess a two percent (2%) Account Management Fee for the administration of all
17 Special Revenue Funds that have been created through legislative action. The
18 assessed funds shall be used by the Department of Administration as follows: 70%
19 for the Division of Accounts, 10% for Human Resources and Development, 10%
20 for the General Services Agency and 10% for the Data Processing Division. The
21 Divisions shall be authorized to utilize funds received through this fee assessment
22 to ensure proper management and accounting of all special funds.

23 The Divisions are hereby authorized to expend these funds as it sees
24 necessary, including but not limited to the recruitment of personnel directly
25 associated with the administration of these special funds, system upgrades,
26 computers, network printers, payroll check printer, accounts payable check printer,

1 treasury check bursting, signing and postage machines and associated costs for
2 postage and supplies.

3 **§ 20703. Requirement to include Account Management Fee.** Any
4 special accounts that are established and created separate and apart from the
5 government of Guam General Fund shall be deemed to include a provision that
6 assesses a two percent (2%) Account Management Fee that shall be used by the
7 Department of Administration to properly manage and track the activity of each
8 special fund and as further provided pursuant to this Article.

9 **§ 20704. Implementation; Upon Revenue Realized Exceeding Projected**
10 **Revenue in FY-2018.** Commencing in Fiscal Year 2018, when revenue actually
11 collected exceeds the adopted special fund revenue projection in the General
12 Appropriations Act of 2018, then, the two percent (2%) fee assessment *shall*
13 commence and be assessed, and *shall* thereafter continue to be assessed and
14 credited to the Department of Administration for expenditure as authorized
15 pursuant to this Article.

16 (a) This Article, in Fiscal Year 2019, *shall* be fully effective and the two
17 percent (2%) fee assessment *shall* be assessed upon the *total* amount of special
18 revenue funds collected.

19 (1) For Fiscal Year 2019 and subsequent fiscal year Executive
20 Budget Requests, the Executive Budget Request *shall* reflect the two percent
21 (2%) assessment fee on all special funds.

22 **§ 20705. Reporting requirement.** The Director of the Department of
23 Administration in coordination with the Administrator of each Division shall
24 submit, on an annual basis, to the Speaker of *I Liheslaturan Guahan* and *I*
25 *Maga'lahren Guahan* a report of any Account Management Fee it has assessed on a

1 special fund account as well as any funds it has expended as authorized pursuant to
2 this Article.”

3 **Section 3. Severability.** If any provision of this Act or its application to
4 any person or circumstance is found to be invalid or contrary to law, such
5 invalidity shall not affect other provisions or applications of this Act which can be
6 given effect without the invalid provisions or application, and to this end the
7 provisions of this Act are severable.

8 **Section 4. Effective Date.** This Act shall become immediately effective
9 upon enactment.