

*I Mina'trentai Singko 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
140-35 (COR)	Joe S. San Agustin Clynton E. Ridgell Tina Rose Muña Barnes	AN ACT TO AMEND § 1216 TO CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUSTANDING GENERAL REVENUE BONDS FROM TIME TO TIME.	5/23/19 10:52 a.m.						

***I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2019 (FIRST) REGULAR SESSION**

Bill No. 140 -35 ( WR )

Introduced By:

Joe S. San Agustin   
Clynton Ridgell   
Tina Rose Muña Barnes 

**AN ACT TO AMEND § 1216 TO CHAPTER 1, TITLE 12,  
GUAM CODE ANNOTATED, RELATIVE TO  
AUTHORIZING THE ISSUANCE OF REVENUE BONDS  
OF THE A.B. WON PAT INTERNATIONAL AIRPORT  
AUTHORITY, GUAM, TO REFUND ALL OR A PORTION  
OF ITS OUSTANDING GENERAL REVENUE BONDS  
FROM TIME TO TIME.**

2019 MAY 23 AM 10:52 

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

2 **Section 1. Legislative Findings and Intent.**

3 *I Liheslaturan Guåhan* finds that Section 1216 of Title 12 of the Guam Code  
4 Annotated provides that Antonio B. Won Pat International Airport Authority,  
5 Guam (the “Authority”), is authorized to incur indebtedness by the issuance of  
6 general revenue bonds for the purpose of refunding any general revenue bonds of  
7 the Authority then outstanding.

8 Section 1208 of Title 12 of the Guam Code annotated provides that no  
9 general revenue bonds of the Authority shall be issued unless authorized by the  
10 Board of the Authority in a bond resolution adopted by it and approved by *I*  
11 *Maga'hågan Guåhan* and unless *I Liheslaturan Guåhan* approves the terms and  
12 conditions of the bonds.

1 Section 50103 of Title 12 of the Guam Code Annotated provides that public  
2 corporations of the government of Guam, including the Authority, shall issue  
3 bonds and other obligations only by means of, and through the agency of the Guam  
4 Economic Development Authority (“GEDA”), and that GEDA shall not sell any  
5 bond without the approval by *I Liheslaturan Guåhan* of the terms and conditions  
6 of the bonds.

7 Based on low interest rates and current market conditions, the Authority  
8 expects to be able to refund all or a portion of its outstanding General Revenue  
9 Bonds, 2013 Series A, General Revenue Bonds, 2013 Series B and/or its General  
10 Revenue Bonds, 2013 Series C (the “2013 Bonds”) for debt service savings.

11 In addition, the Authority anticipates that opportunities may arise to refund  
12 all or a portion of additional Authority general revenue bonds in the future for debt  
13 service savings (collectively with the 2013 Bonds, the “prior bonds”).

14 Therefore, in order to benefit the airport and the tourism industry that is  
15 reliant on the functions of the airport, *I Liheslaturan Guåhan* intends to approve  
16 the issuance of revenue bonds by the Authority to refund all or a portion of its prior  
17 bonds, all subject to approval by *I Maga’hågan Guåhan* and the Board of Directors  
18 of GEDA in accordance with law.

19 **Section 2. § 1216 to Chapter 1, Title 12, Guam Code Annotated is**  
20 **hereby amended and restated to read as follows:**

21 “(a) The Board may authorize the issuance of refunding bonds from time  
22 to time for the purpose of refunding any or a portion of bonds then outstanding and  
23 issued under this Article, whether or not such outstanding bonds have matured or  
24 are then subject to redemption. The Board may provide for the issuance of a single  
25 issue of bonds for the combined purposes of (i.) financing the cost of improvement  
26 or expansion of the airports, and (ii.) refunding bonds which shall theretofore have

1 been issued by the Authority and shall then be outstanding, whether or not such  
2 outstanding bonds have matured or are then subject to redemption. Nothing in this  
3 Section shall require or be deemed to require the Authority to elect to redeem or  
4 prepay bonds being refunded, or to redeem or repay bonds being refunded which  
5 were issued in the form customarily known as term bonds in accordance with any  
6 sinking fund installment schedule specified in the bond resolution authorizing the  
7 issuance thereof, or, in the event the Authority elects to redeem or prepay any such  
8 bonds, to redeem or prepay as of any particular date or dates. The issuance of such  
9 bonds, the maturities and other details thereof, the rights and remedies of the  
10 holders thereof, and powers, privileges, duties and obligations of the Authority  
11 with respect to the bonds shall be governed by the provisions of this Article insofar  
12 as those provisions may be applicable.

13 (b) I Liheslaturan Guåhan, pursuant to §1208(a) and §50103(k) of Title  
14 12 of the Guam Code Annotated, hereby approves the terms and conditions of the  
15 issuance of general revenue bonds by the Authority for the purpose of refunding  
16 all or a portion of the Authority’s outstanding General Revenue Bonds (herein the  
17 “prior bonds”) in accordance with the following requirements, limitations, terms  
18 and conditions:

19 (1) All obligation of the Authority to pay debt service on, and the  
20 redemption price of, the prior bonds refunded shall be discharged  
21 concurrently with the issuance of the refunding bonds. Thereafter, such prior  
22 bonds shall be payable solely from and secured solely by an escrow  
23 established for such purpose in accordance with the Authority’s existing  
24 bond indenture.

25 (2) Such bonds shall be issued and sold in compliance with the  
26 provisions of Article 2 of Chapter 1 of Title 12 of the Guam Code Annotated,

1 including approval of the bond resolution by the Board of Directors of the  
2 Authority and by *I Maga'hågan Guåhan* as provided therein.

3 (3) The sale of the bonds shall be approved by the Board of  
4 Directors of GEDA as provided by Chapter 50 of Title 12 of the Guam Code  
5 Annotated.

6 (4) The debt service savings resulting from the issuance of the  
7 refunding bonds shall be not less than an amount equal to two percent (2%)  
8 of the principal amount of the prior bonds refunded. Debt service savings is  
9 defined for this purpose to be the amount by which the present value of debt  
10 service on the prior bonds exceeds the present value of debt service on the  
11 refunding bonds, using the yield on the refunding bonds as the discount rate  
12 for purposes of calculating present value.

13 (5) Such refunding bonds shall have a principal amount or  
14 principal amounts sufficient to provide funds for the payment of all or a  
15 portion of the prior bonds refunded and in addition for the payment of all  
16 expenses incident to the calling, retiring or paying of such prior bonds and  
17 the issuance of such refunding bonds, including:

18 (A) the difference in amount between the par value of the  
19 refunding bonds and any amount less than par for which the refunding  
20 bonds are sold;

21 (B) any amount necessary to be made available for the  
22 payment of interest upon such refunding bonds from the date of sale  
23 thereof to the date of payment of the prior bonds or to the date upon  
24 which the prior bonds will be paid pursuant to the call thereof or  
25 agreement with the holders thereof;

1                    (C) the premium, if any, necessary to be paid in order to call  
2                    or retire the prior bonds and the interest accruing thereon to the date  
3                    of the call or retirement; and

4                    (D) any additional amount needed to provide for a deposit to  
5                    the debt service reserve in connection with the issuance of the  
6                    refunding bonds.

7                    **Section 3. Severability.** The provisions outlined in this Act are declared to  
8 be separate and severable. The invalidity of any clause, sentence, paragraph,  
9 subdivision, section or portion of this statute, or the invalidity of the application  
10 thereof to any person or circumstance shall not affect the validity of the remainder  
11 of this statute or the validity of its application to other persons or circumstances.