


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
356-35 (COR)	James C. Moylan	AN ACT TO ADD § 4107.1 TO CHAPTER 4 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THAT <i>I MAGA'HĀGAN GUÅHAN</i> SUBMIT TO <i>I LIHESLATURAN GUÅHAN</i> , A REVISED ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2021.	5/11/20 11:06 a.m.						

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. 356-35 (COR)

Introduced by:

James C. Moylan 

AN ACT TO *ADD* § 4107.1 TO CHAPTER 4 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THAT *IMAGA'HAGAN GUAHAN* SUBMIT TO *I LIHESLATURAN GUAHAN*, A REVISED ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2021.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that on
3 February 4, 2020, Bill 285-35 was introduced by the Committee on Rules of the 35th
4 Guam Legislature, on behalf of the Governor of Guam, in accordance with the
5 Organic Act of Guam. The Act was appropriately titled the *General Appropriations*
6 *Act of 2021*, which in essence reflects the Fiscal Year 2021 Annual Operating Budget
7 of the Government of Guam. The measure proposes revenue projections for FY
8 2021 exceeding nearly \$1.059 billion, and this reflected the proposed expenditures
9 the government for next fiscal year as well. Unfortunately weeks after the legislation
10 was introduced, the COVID-19 virus began its rapid worldwide spread, hence
11 leading to a global pandemic in March 2020. On March 14, 2020, Governor Lourdes
12 A. Leon Guerrero declared a State of Public Health Emergency, which unfortunately
13 also initiated the steps of an economic collapse for our island.

1 As Guam slowly transitions into the initial phases of opening up the economy
2 on May 10, 2020, the realities of this economic crisis have made one thing
3 abundantly clear, in that the road to recovery is still years away. In a May 7, 2020
4 article in the Guam Daily Post, Dr. Roseann Jones, a professor of economics with
5 the University of Guam was quoted stating “...but the likely outlook is we will go
6 into a recession”. Tourism industry experts, who represent our islands top economic
7 pillar, have expressed concerns that it will take years before our arrival numbers
8 return to the Pre-COVID-19 statistics, which were surging in a positive direction at
9 the time.

10 While our island will be the benefactors of millions in federal monetary aid
11 and support, including monies derived from the federal CARES Act, an economic
12 stimulus plan, unemployment assistance and even programs to help local businesses,
13 the reality is that economic stimulus activity must be consistent for the longevity,
14 and while our government may be able to get by with fulfilling basic obligations for
15 Fiscal Year 2020, there will be many challenges that our island will experience for
16 Fiscal Year 2021.

17 As our tourism industry struggles in their rebound, many questions exist with
18 what employment numbers may be for those directly involved with hospitality over
19 the course of the next year. Bill 285-35 projects nearly \$248 million in revenues
20 from withholding taxes, which in essence correlate with payroll. There are also the
21 concerns associated with the entities indirectly associated with tourism, which may
22 see an adverse impact with retail and culinary activity, hence a brunt towards the
23 Business Privilege Taxes, which are projected to generate almost \$331 million
24 according the legislation. Taxes in general will be adversely affected because of the
25 potential global recession, and the Governors projections estimate collections to
26 exceed \$601 million, yet these were pre-pandemic figures. Special Funds across the

1 board have the potential of being negatively affected as well in the process, as
2 spending in general will correlate with that of a recession.

3 Ultimately, it would be irresponsible for the government of Guam to address
4 it’s legal mandate of adopting a Fiscal Year 2021 Annual Operating Budget by
5 utilizing the projections proposed in Bill 285-25, which did not take into
6 consideration the economic impact that the pandemic would bring to the island, the
7 region, or even globally. It would be careless for the Executive Branch to rely solely
8 on the infusion of federal aid as a means to anticipate adequate economic activity to
9 allow for the expenses outlined in the *General Appropriations Act of 2021*. It would
10 also be lackadaisical if the Governor failed to abide by the mandates stipulated both
11 in Guam law and the Organic Act of Guam, where a responsible budget outlining
12 the programs and financial plans within reasonable means was not provided to the
13 Guam Legislature for consideration.

14 It is with this consideration, and knowing what we know today versus what
15 was projected earlier this year by the administration, that it is critical that the
16 Governor of Guam submit a revised Annual Operating Budget for Fiscal Year 2021
17 to the Guam Legislature, one that takes into reflection the overall economic impact
18 of the COVID-19 pandemic. The realities exist that projections alone moving
19 forward will unfortunately not meet what is noted in Bill 285-35, and if collections
20 track more positively over the early quarters of FY21, nothing precludes the
21 Executive Branch from submitting a revised budget to the Legislative Branch for
22 consideration. Ultimately these actions are responsible and consistent with actions
23 taking place globally.

24 **Section 2.** A new § 4107.1 is hereby *added* to Chapter 4 of Title 5, Guam
25 Code Annotated to read as follows:

26 **“§ 4107.1 Revised Annual Operating Budget for Fiscal Year 2021.**

1 Notwithstanding any other provisions of the law, *I Maga 'Hagan Guåhan shall*
2 submit a revised Annual Operating Budget for Fiscal Year 2021 to *I Liheslaturan*
3 *Guåhan* no later than June 15, 2020. The revised budget *shall* recommend for
4 consideration the overall economic impact of the COVID-19 pandemic including,
5 but not limited to: the long and short range programs of the government; a financial
6 plan which *shall* reflect revised estimated receipts; and detailed expenditures of the
7 General Fund and all special funds, whether or not their resources are annually
8 appropriated by *I Liheslatura*, including all grants, loans and moneys received from
9 the Federal Government or other agencies both governmental and nongovernmental;
10 The revised operating budget *shall not* propose new or increased fees or taxes, and
11 no such recommendation *shall* exceed the revenues adopted pursuant to Public Law
12 35-36.”

13 **Section 3. Severability.** If any provision of this Act or its application to any
14 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
15 *not* affect other provisions or applications of this Act that can be given effect without
16 the invalid provision or application, and to this end the provisions of this Act are
17 severable.

18 **Section 4. Effective Date.** The act *shall* become effective immediately upon
19 enactment.