

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

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Bill No. 247-30 (COR)

Introduced by:

Adolpho B. Palacios, Sr. 

AN ACT TO AUTHORIZE THE ACCEPTANCE OF THE INTERESTS RECEIVED FROM SUPERIOR COURT CASE NO. SP0206-93, PURSUANT TO PUBLIC LAW NO. 29-18 AND PUBLIC LAW NO. 29-04, TO OFF-SET GOVERNMENT OF GUAM-IMPOSED TAXES OWED TO THE GOVERNMENT OF GUAM.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* passed Bill
3 No. 68 (EC) which has become law on September 23, 2007, as Public Law No. 29-18.
4 The law authorizes for the issuance of interests earned on the unpaid amount of the
5 judgment award in Superior Court Case No. SP0206-93, "Rios vs. Camacho".

6 In Public Law No. 28-151, *I Liheslaturan Guåhan* attempted to authorize a tax
7 rebate on the awards reference to Superior Court Case No. SP0206-93. At the request of
8 the Department of Revenue and Taxation, however, the Office of the Attorney General
9 on August 13, 2009, reference DOA 09-0613, issued a legal opinion that no sum of the
10 award can be used to off-set taxes owed to the government.

11 On August 13, 2009, the Department of Administration issued notices to
12 awardees in Superior Court Case No. SP0206-93 of the amount of interest earned on the
13 unpaid balance due them. The notice includes in part, a statement, "The interest due

1 cannot be used toward payment of taxes pursuant to the Attorney General’s memorandum
2 dated August 13, 2009 regarding the use of COLA Certificates and interest received to
3 pay taxes.

4 In light of the legal opinion rendered by the Office of the Attorney General
5 reference to the limitation on “tax rebate”, and Public Law No. 29-18, *I Liheslaturan*
6 *Guåhan* believes that the interests issued to the Cost of Living Allowance (COLA)
7 awardees have no value. It was the intent of *I Mina’ Benti Nuebe na Liheslaturan*
8 *Guåhan* in Public Law No. 29-18 to authorize the use of the COLA award to off-set taxes
9 owed to the government of Guam.

10 It is therefore the intent of *I Liheslaturan Guåhan* to authorize for the acceptance
11 of the interests received from Superior Court Case No. SP0206-93, pursuant to Public
12 Law No. 29-18 and Public Law No. 29-04, to off-set taxes imposed by the government of
13 Guam and which are owed to the government of Guam.

14 **Section 2. Authority to accept COLA interest to settle outstanding tax**
15 **liability.** Notwithstanding 11 GCA, §15101(b) which reads, in part, as follows:

16 “No real property or property other than money may be accepted by
17 Department of Revenue and Taxation as settlement for any outstanding tax
18 liability nor may be received by the government of Guam pursuant to
19 §38101 of the Government Code of Guam without prior specific statutory
20 authority for the transaction,”

21 the Department of Revenue and Taxation is hereby authorized to accept the interests
22 issued in reference to Superior Court Case No. SP0206-93 as settlement for any
23 outstanding tax liability imposed by the government of Guam.

1 **Section 3. Formulation for transaction and date to commit.** (a) The
2 Department of Administration and the Department of Revenue and Taxation, together,
3 shall formulate a process for the transaction necessary to accomplish the intent of Section
4 *2 supra*, no later than sixty (60) days from enactment of this Act.

5 (b) The Department of Administration shall issue no later than ninety (90) days
6 from the enactment of this Act a document which may be accepted by the Department of
7 Revenue and Taxation as settlement for any outstanding tax liability which are imposed
8 by the government of Guam and which are owed to the government of Guam.