

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

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Bill No. 432-30(LS)

Introduced by:

Judith T. Won Pat, Ed.D.
Tina Rose Muna-Barnes
James V. Espaldon
Rory J. Respicio
Benjamin J.F. Cruz
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Frank Blas, Jr.
Judith P. Guthertz, DPA
V. ANTHONY ADA

AN ACT TO REALLOCATE AND REPROGRAM A PORTION OF THE 2009 SOLID WASTE MANAGEMENT SYSTEM BOND PROCEEDS, IDENTIFY A PAYMENT SOURCE FOR THE REALLOCATED AND REPROGRAMMED AMOUNT, AND IDENTIFY CRITICAL CAPITAL IMPROVEMENT PROJECTS TO BE FUNDED BY THE REALLOCATED AND REPROGRAMMED FUNDS. THIS ACT SHALL BE KNOWN AS THE COMMUNITY REINVESTMENT ACT OF 2010.

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

2 **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan*
3 finds that the approval of the U.S. Department of Agriculture loan and
4 grant for the construction of a new sanitary landfill in the amount of One
5 Hundred and Three Million Dollars (\$103,000,000) of which Eighty-Eight
6 Million Dollars (\$88,000,000) is in a form of a loan and Fifteen Million
7 Dollars (\$15,000,000) in the form of a grant, has resulted in a surplus
8 amount of One Hundred Three Million Dollars (\$103,000,000) in the 2009
9 Solid Waste Management System Bonds.

1 *I Liheslatura* further finds that because the debt service for both the
2 2009 Solid Waste Management System Bonds and the USDA loan/grant
3 are tipping fees, should the government of Guam wish to retain both the
4 bond and the USDA loan/grant, there is a need to ensure that another
5 payment source can be identified.

6 *I Liheslatura* further finds that the debt service amount that needs to
7 be identified is approximately Seven Million Five Hundred Ninety
8 Thousand One Hundred Twenty-One Dollars (\$7,590,121) based on the
9 reprogramming of One Hundred and Three Million Dollars (\$103,000,000)
10 of the Two Hundred Two Million Dollars (\$202,000,000) 2009 Solid Waste
11 Management System Bond.

12 *I Liheslatura* has determined that a partial payment source will be
13 securitized funds from the maturity of the Series 2001 "A" Bonds (Section
14 30) of which One Million Five Hundred Twenty-Five Thousand Six
15 Hundred Thirty One (\$1,525,631) of the Nine Million Eight Hundred
16 Twenty-Five Thousand Six Hundred Thirty-One dollars (\$9,825,631) has
17 not yet been allocated and Series 2001 "A " (Highway) bonds (secured by
18 Liquid Fuel Taxes, and Vehicle Registration and License Fees) which Six
19 Million Twenty Four Thousand Four Hundred Twenty-Five Dollars
20 (\$6,024,425) to be securitized upon maturity. Both funding sources would
21 result in Seven Million Five Hundred-Fifty Thousand and Fifty-Six Dollars
22 (\$7,550,056). Should there be any annual shortfall from the sources for the
23 debt service, *I Liheslaturan Guahan* may appropriate the funds required to
24 cover the debt service.

1 *I Liheslaturan* further finds that it is in the best interest of the
2 government of Guam to retain the USDA loan/grant for the Layon Landfill
3 and to reprogram the 2009 Solid waste Management System Bond to fund
4 critical capital improvement projects such as a women and children’s wing
5 at the hospital, the funding of CIP projects under the DMSA consent
6 decree, the construction of a museum to help preserve the culture, the
7 construction of a police and fire headquarters, provide the Crime Lab of the
8 necessary equipment and seed money for the student center at the
9 University of Guam.

10 *I Liheslatura* further finds that the final approval of the
11 reprogramming of the funds is subject to the approval of the Federal Judge.
12 *I Liheslaturan Guahan* will work collaborative with the Office of the Governor
13 in the spirit of cooperation in jointly requesting the Federal Judge for the
14 approval of the reprogramming of the One Hundred Three Million Dollars
15 (\$103,000,000) for such Capital facilities as described herein.

16 It is therefore the intent of *I Liheslaturan Guahan* to substitute One
17 Hundred Three Million Dollars (\$103,000,000) from the 2009 Solid Waste
18 Management System Bonds with the USDA grant/loan and to utilize those
19 monies for critical capital improvement projects.

20 **Section 2. Pledge of Section 30 Revenues.** Debt service payments for a
21 portion of the 2009 Solid Waste Management System Bonds, up to One
22 Hundred Three Million Dollars (\$103,000,000) may be secured by a pledge or
23 other reservation of revenues received by or on behalf of the government of
24 Guam from the United States of America pursuant to Section 30 of the Guam
25 Organic Act (48 U.S.C.A. Section 1421h). Any pledge or reservation of Section

1 30 revenues authorized by the Act shall be subordinate only to the existing
2 lien securing the Government of Guam Limited Obligation (Section 30) Bonds,
3 Series 2001A. Any such pledge or reservation authorized hereunder shall be
4 valid and binding from the time the pledge or reservation is made and shall
5 be limited to One Million Five Hundred Twenty-Five Thousand Six Hundred
6 and Thirty-One (\$1,525,631) per year during the pay-back period. The Section
7 30 revenues pledged or reserved and thereafter received by the government of
8 Guam or by any trustee, depository or custodian shall be deposited in a
9 separate account and shall be immediately subject to such reservation or the
10 lien of such pledge without any physical delivery thereof or further act, and
11 such reservation or the lien of such pledge shall be valid and binding against
12 all parties having claims of any kind in tort, contract or otherwise against the
13 government of Guam or such trustee, depository or custodian, irrespective of
14 whether the parties have notice thereof. The instrument by which such pledge
15 or reservation is created need not be recorded.

16 **Section 3. Pledge of Liquid Fuel Tax, Vehicle Registration & Driver's**
17 **License Fees.** Debt service payments for a portion of the 2009 Solid Waste
18 Management System Bonds up to One Hundred Three Million Dollars
19 (\$103,000,000) may be secured by a pledge of liquid fuel tax, vehicle
20 registration, and driver's license fees. Any pledge or reservation of liquid fuel
21 tax, vehicle registration and driver's license fees authorized by the Act shall be
22 subordinate only to the existing lien securing the Government of Guam
23 Limited Obligation Highway Refunding Bond 2001Series A (Liquid Fuel
24 Taxes, Vehicle Registration & Driver's License Fees). Any such pledge or
25 reservation authorized hereunder shall be valid and binding from the time the

1 pledge or reservation is made and shall be limited to Six Million Thirty
2 Thousand Seven Hundred and Seventy-Five Dollars (\$6,024,475) per year
3 during the pay-back period.

4 **Section 4. Projects for Funding.** The following Capital Improvement
5 Projects shall be funded using the reprogrammed and reallocated amount
6 from the 2009 Solid Waste Management System Bonds as authorized in this
7 Act:

8	a.) Guam Museum	\$24M
9	b.) Women and Children’s 50 Bed Wing	\$50M
10	c.) Guam Police and Fire Department Headquarters	\$10M
11	d.) University of Guam Student Center	\$4M
12	e.) Phase II – Guam Crime Lab	\$3M
13	f.) DMHSA Permanent Injunction CIP Projects	\$10.2M
14	g.) CDC Reference Lab	\$1.8M
15		<hr/>
	TOTAL	\$103M

16 After the bidding and final financial close out of the projects above should
17 there be any funds that are identified as surplus, those surplus funds will be
18 allocated for the use of the following projects:

19 a.) Department of Revenue and Taxation Building

20 **Section 5. Severability.** *If any of the provisions of this Act or the*
21 *application thereof to any person or circumstance is held invalid, such*
22 *invalidity shall not affect any other provision or application of this Act which*
23 *can be given effect without the invalid provision or application, and to this*
24 *end the provisions of this Act are severable.*