

I Mina Trentai Kuåttro Na Liheslaturan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
236-34 (COR)	Thomas C. Ada	AN ACT TO ADD A NEW CHAPTER 76A, TO DIVISION 3 OF TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ABOVEGROUND STORAGE OF REGULATED SUBSTANCES.	1/31/18 8:47 a.m.	2/9/18 10:07 a.m.	Committee on Appropriations and Adjudication			Fiscal Note Request 2/9/18 Fiscal Note 2/23/18	

Senator Thomas C. Ada,
Vice Chairperson

Speaker Benjamin J.F. Cruz,
Member

Vice Speaker Therese M. Terlaje,
Member

Senator Frank B. Aguon, Jr.,
Member

Senator Telenia C. Nelson,
Member



COMMITTEE ON RULES
SENATOR RÉGINE BISCOE LEE, CHAIR
SIKRITARIAN LIHESLATURAN GUAHAN
I MINA'TRENTAI KUATTRO NA LIHESLATURAN GUÁHAN
LEGISLATIVE SECRETARY • 34TH GUAM LEGISLATURE

Senator Dennis G. Rodriguez, Jr.,
Member

Senator Joe S. San Agustin,
Member

Senator Michael F.Q. San Nicolas,
Member

Senator James V. Espaldon,
Member

Senator Mary Camacho Torres,
Member

February 23, 2018

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chairperson, Committee on Rules

Re: Fiscal Notes

Buenas yan Háfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 231-34 (LS)

Bill No. 236-34 (COR)

Bill No. 240-34 (COR)

Bill No. 245-34 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact Jean Cordero, Committee on Rules Director, at 472-2461.

Thank you for your attention to this important matter.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 236-34 (COR)**

AN ACT TO ADD A NEW CHAPTER 76A, TO DIVISION 3 OF TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ABOVEGROUND STORAGE OF REGULATED SUBSTANCES.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Environmental Protection Agency	Dept./Agency Head: Walter Leon Guerrero, Administrator
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Specify) appropriation(s) to date: Guam Environmental Trust Fund, Tourist Attraction Fund, Pesticide Management Fund, Solid Waste Operations Fund, Water Protection Fund, Water Research and Development Fund, Air Pollution Control Fund, and Recycling Revolving Fund	4,287,344
Total Department/Agency Appropriation(s) to date:	\$4,287,344

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2017 Unreserved Fund Balance		\$0	\$0
FY 2018 Adopted Revenues	\$0	\$0	\$0
FY 2018 Appro. (P.L. 34-42 thru)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2018 (if applicable)	FY 2019	FY 2020	FY 2021	FY 2022
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Aboveground Storage Tank Management Fund 1/	\$264,095	\$132,048	\$214,095	\$206,913	\$206,913	\$206,913
Total	\$264,095	\$132,048	\$214,095	\$206,913	\$206,913	\$206,913

1. Does the bill contain "revenue generating" provisions? /X/ Yes // No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A // Yes // No
If no, what is the additional amount required? \$ /X/ N/A
3. Does the Bill establish a new program/agency? /X/ Yes // No
If yes, will the program duplicate existing programs/agencies? // N/A // Yes /X/ No
Is there a federal mandate to establish the program/agency? // Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? // Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes // No
// Requested agency comments not received by due date // Other:

Analyst: Jared N. Perez Date: 2/19/18 Director: Lester L. Carlson, Jr. Date: FEB 23 2018
Jared Perez, Budget and Management Analyst Lester L. Carlson, Jr., Acting Director

Footnotes:

1/ See attached comments for details.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 236-34 (COR)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	\$0	\$0	\$0	\$0	\$0
Aboveground Storage Tank Management Fund 1/	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$250,000</u>	\$250,000
Total	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

Comments:

1/ See attached comments for details.

Comments on Bill No. 236-34 (COR)

The intent of Bill 236-34 (COR) is to establish a program to provide requirements for “aboveground storage tank systems and interterminal pipelines that store regulated substances in order to minimize the occurrence and environmental risks of releases and discharges to groundwater, surface water, and/or soils.” The Bill mandates the Administrator of the Guam Environmental Protection Agency (GEPA) to develop and administer a program for aboveground storage tanks. It also sets up some initial regulations and fees along with a new Aboveground Storage Tank (AST) Management Fund.

The AST Management Fund would be a new non-lapsing Special Revolving Fund that shall be maintained separate and apart from any other funds of the Government of Guam. All fees, fines, forfeitures, and other funds collected as a result of this program will be deposited in the AST Fund. All monies in the AST Fund are appropriated to the GEPA for the administration of the AST program.

Should Bill 236-34 (COR) be enacted, the GEPA provides the following potential costs associated with the first year of the program.

Table 1: First Year Program Cost Breakdown

Staffing	Estimated Cost	Notes
Environmental Health Specialist III	\$65,782	Grade N, new hire
Environmental Health Specialist II	\$60,630	Grade M, onboard with a federal program
Program Supervisor	\$19,990	Partially funded
Division Administrator	\$11,093	Partially funded
Total Staffing	\$157,495	

Operations	Estimated Cost	Notes
Travel	\$5,000	National Institute for Storage Tank Management Training/Conference
Contracts	\$42,600	Certifications and Training
Equipment	\$10,000	2 Computers
Supplies	\$9,000	Cameras, printers, etc.
Capital Outlay	\$40,000	1 vehicle used for inspections
Total Operations	\$106,600	

Total Program Cost	\$264,095	Total without Equipment and Capital Outlay is \$214,095. (see below)
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All costs are to be funded under the proposed AST Management Fund. For operations, the costs for the vehicle and equipment are not anticipated to be incurred annually, but on an as needed basis. Travel for certifications and contracts are required annually. As far as staffing, the cost of the Program Supervisor and Division Administrator are partially funded due to the current incumbents of the positions being used for Federal Government programs, and as a result being paid through Federal Government funding. The amount of cost associated to the AST Management Fund anticipates the amount of time spent on this local program. The

amount of \$132,048 (half of the costs in Table 1) is the estimated cost for the remainder of FY 2018, and then \$214,095 annually. The projected costs associated with this program are similar to other GEPA programs.

The Bill also sets up an initial permit fee of \$100 annually as well as fines up to \$25,000 for each tank for each day of each violation. The fee and fines, along with all initial regulations set up in this Bill, are subject to change pending the plan developed by the GEPA. The GEPA estimates 500 ASTs in Guam. This number will be used to project annual permit fees. The GEPA did not project any violations, however, for the purpose of this fiscal note the maximum fine of \$25,000 on two tanks for four days every year will be assumed. The number of violations and the length is simply based on a number that is determined to be reasonable. See the calculations below:

- $500 \text{ (assumed AST facilities in Guam)} \times \$100 \text{ (proposed permit fee)} = \$50,000 \text{ (total estimated fees)}$
- $2 \text{ (assumed ASTs in violation)} \times \$25,000 \text{ (proposed initial fine)} = \$50,000 \text{ (total per day of violation)} \times 4 \text{ (assumed days for each violation)} = \$200,000 \text{ (projected violation fees)}$
- $\$50,000 \text{ (total estimated fees)} + \$200,000 \text{ (total estimated fines)} = \$250,000 \text{ (total projected revenue)}$

It should be noted that the timing of this funding is highly dependent on the actual collection of fees and fines, as a result, it is difficult to determine when the fund will fully cover program costs.