

*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
318-35 (COR)	James C. Moylan	AN ACT TO AMEND CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED RELATIVE TO THE TEMPORARY REDUCTION OF THE LIQUID FUEL TAX.	3/24/20 12:03 p.m.					5/21/20	

Senator Régine Biscoe Lee,  
Chair

Senator Amanda L. Shelton,  
Vice Chair

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telen Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), PhD,  
Member

Senator Sabina Flores Perez,  
Member



**COMMITTEE ON RULES**  
*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

May 21, 2020

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Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and Chair, Subcommittee on Protocol

# MEMO

**To:** **Rennae Meno**  
Clerk of the Legislature

**From:** **Senator Régine Biscoe Lee**  
Chair, Committee on Rules

**Re:** **Fiscal Notes**

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*Buenas yan Håfa adai.*

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

**Bill No. 315-35 (LS)**  
**Bill No. 318-35 (COR)**  
**Bill No. 353-35 (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 Mary Maravilla, 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. 318-35 (COR)**

**AN ACT TO AMEND CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED RELATIVE TO THE TEMPORARY REDUCTION OF THE LIQUID FUEL TAX.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$9,410,539
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$416,051); Better Public Service Fund (\$1,553,526); Tax Collection Enhancement Fund (\$910,241)	<u>\$2,879,818</u>
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$12,290,357</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	Special Fund:	Total:
FY 2019 Unreserved Fund Balance	\$0	\$0	\$0
FY 2020 Adopted Revenues	\$0	0	0
FY 2020 Appro. (P.L. 35-36)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
<b>Total:</b>	<b>\$0</b>	<b>0</b>	<b>0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2020 (if applicable)	FY 2021	FY 2022	FY 2023	FY 2024
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	1/	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- Does the bill contain "revenue generating" provisions? /X/ Yes      / / No  
If Yes, see attachment
- 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
- Does the Bill establish a new program/agency? / / Yes      /X/ No  
If yes, will the program duplicate existing programs/agencies? /X/ N/A      / / Yes      / / No  
Is there a federal mandate to establish the program/agency? / / Yes      /X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes      /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes      / / No  
/X/ Requested agency comments not received by due date: DRT      / / Other:

Analyst: <u>Raymond Rieta</u> Raymond Rieta, BMA II	Date: <u>5/21/2020</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>MAY 21 2020</u>
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Notes:  
1/ See attached Comments.

**Bureau of Budget & Management Research  
Attachment to Fiscal Note No. 318-35 (COR)  
(for revenue generating provisions)**

Projected Multi-Year Revenues					
	Year 1 (FY2020)	Year 2 (FY2021)	Year 3 (FY2022)	Year 4 (FY2023)	Year 5 (FY2024)
General Fund	\$0	\$0	\$0	\$0	\$0
Other Fund:	(\$1,088,320)	\$0	\$0	\$0	\$0
<b>Total</b>	<b>(\$1,088,320)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Comments:**

The intent of Bill No. 318-35 is to temporarily reduce the liquid fuel tax collected in FY 2020 from the months of April 2020 through September 2020. During this period, the Bill proposes to reduce the gasoline fuel tax rate (excluding commercial aviation fuel) from \$0.15 per gallon to \$0.11 per gallon and the diesel fuel tax rate from \$0.14 per gallon to \$0.10 per gallon. Using information from AS400, the liquid fuel taxes collected in FY 2019 from April through September were obtained to estimate the difference in taxes collected should Bill No. 318-35 be implemented in FY 20. Based on this information, the potential loss of revenues is approximated to be \$1.08M, should the liquid fuel taxes be reduced as proposed in the Bill.

	Total Gallons	Total Taxes/FY19	Total Proposed	Difference due to
	FY19 (Apr - Sep)	\$0.15 / Gallon	\$0.11 / Gallon	Bill No. 318-35
Gasoline	23,233,152	\$3,484,973	\$2,555,647	\$929,326

	Total Gallons	Total Taxes/FY19	Total Proposed	Difference due to
	FY19 (Apr - Sep)	\$0.14 / Gallon	\$0.10 / Gallon	Bill No. 318-35
Diesel	3,974,839	\$556,477	\$397,484	\$158,994

<b>Total Difference</b>	<b>\$1,088,320</b>
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The Bureau notes that the COVID-19 pandemic has caused various indirect effects to the Guam Highway Fund. Since the emergency health declaration on March 14, 2020, there has been a significant decrease in airline flights to and from Guam, resulting in reduced commercial aviation fuel taxes. The temporary closure of the Department of Revenue and Taxation has also resulted in reduced vehicle registration fees being collected (\$0 in the month of April). Furthermore, the global price of oil has dropped since the pandemic started, resulting in a corresponding reduction of gasoline prices and taxes to be received from gasoline purchases. Per the April 2020 Special Revenue Fund Report, the Guam Highway Fund is projecting to collect approximately \$1.6M below the adopted level of \$25.19M contained in P.L. 35-36. As such, the proposed reduction of liquid fuel taxes contained in Bill 318-35 may potentially exacerbate the projected shortfall for the Guam Highway Fund cited in the April 2020 Special Revenue Fund Report.

**Effects of Bill No. 318-35**

**Liquid Fuel Tax (April 2019 - September 2019)**

	April	May	June	July	August	September	Total Current (\$0.15 / Gallon)	Total After (\$0.11 / Gallon)	Difference due to Bill No. 318-35
<b>Gasoline</b>	\$81,129.45	\$240,250.95	\$83,979.45	\$5.40	\$80,407.35	\$6.30			
	\$265,511.25	\$256,257.90	\$190,575.75	\$185,972.10	\$179,498.85	\$302,809.50			
	\$245,841.60	\$78,346.95	\$321,858.60	\$79,159.20		\$85,430.40			
	\$9.30	\$7.20		\$297,712.80		\$196,575.60			
				\$7.50		\$8.85			
						\$313,610.55			
	\$592,491.60	\$574,863.00	\$596,413.80	\$562,857.00	\$259,906.20	\$898,441.20	\$3,484,972.80	\$2,555,646.72	\$929,326.08
						<b>Total Gallons</b>	<b>23,233,152.00</b>		

	April	May	June	July	August	September	Total Current (\$0.14 / Gallon)	Total After (\$0.10 / Gallon)	Difference due to Bill No. 318-35
<b>Diesel</b>	\$10,993.08	\$18,094.02	\$13,617.10	\$11,867.23	\$13,062.42	\$11,037.73			
	\$56,022.68	\$52,366.16	\$1,094.70	\$1,007.58	\$19,653.62	\$56.42			
	\$1,912.70	\$1,199.10	\$13,514.62	\$107.94	\$2,034.90	\$40,109.16			
	\$11,171.43	\$66.50	\$18,488.26	\$899.78		\$1,037.90			
	\$19,844.86	\$697.06	\$52,316.18	\$18,808.16		\$13,873.44			
	\$73.64	\$14,136.78		\$10,653.30		\$1,236.20			
				\$38,539.06		\$18,694.90			
				\$95.48		\$92.40			
				\$1,339.60		\$43,122.24			
				\$12,423.53		\$11,042.25			
				\$73.36					
	\$100,018.39	\$86,559.62	\$99,030.86	\$95,815.02	\$34,750.94	\$140,302.64	\$556,477.47	\$397,483.91	\$158,993.56
						<b>Total Gallons</b>	<b>3,974,839.07</b>		<b>\$1,088,319.64</b>