

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
396-35 (COR) As amended by the Committee on General Government Operations, Appropriations, and Housing	Therese M. Terlaje Clynton E. Ridgell Joe S. San Agustin Tina Rose Muña Barnes	AN ACT RELATIVE TO APPROVING THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A, AUTHORIZING THE LOCAL SALE OF BONDS, AND APPROPRIATING ADDITIONAL FUNDS TO THE GUAM VISITORS BUREAU FOR OPERATIONS .	9/9/20 10:39 a.m.	10/9/20	Committee on General Government Operations, Appropriations, and Housing	10/23/20 9:00 a.m.	12/3/20 2:45 p.m. As amended by the Committee on General Government Operations, Appropriations, and Housing	10/6/20	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
	12/7/20	AN ACT TO ADD A NEW § 1515.1 TO ARTICLE 5 OF CHAPTER 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO APPROVING THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A; TO AUTHORIZING THE LOCAL SALE OF BONDS; AND TO APPROPRIATING ADDITIONAL FUNDS TO THE GUAM VISITORS BUREAU FOR ITS OPERATIONS.	12/17/20	12/17/20	12/29/20	35-127	12/29/20	Received: 12/29/20 Mess and Comm. Doc. No. 35GL-20-2554	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN
OFFICE OF THE GOVERNOR OF GUAM

December 29, 2020

HONORABLE TINA ROSE MUÑA BARNES

Speaker

I Mina'trentai Singko Na Liheslaturan Guåhan

35th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

35GL-20-2554
Speaker Tina Rose Muña Barnes

DEC 29 2020
Time 6:11
Location: Hagåtña
matt

Re: Bill No. 396-35 (COR) – An Act to Add a New § 1515.1 to Article 5 of Chapter 1, Guam Code Annotated, Relative to Approving the Terms and Conditions to Refund all or a Portion of the Government of Guam Hotel Occupancy Tax Revenue Bonds, Series 2011A; to Authorizing the Local Sale of Bonds; and to Appropriating Additional Funds to the Guam Visitors Bureau for its Operations

Dear Madame Speaker:

Now, more than ever, our government must explore ways to realize savings that will help ensure continued services to our community while safeguarding taxpayer dollars. Under current market conditions, Bill No. 396, which authorizes the issuance of additional series of Government of Guam Hotel Occupancy Tax revenue bonds, will allow us to reduce amounts spent on debt service, which will benefit the Tourist Attraction Fund and, correspondingly, the ailing tourism industry. This is why I have signed it into law as *Public Law No. 35-127*.

Senseramente,

Handwritten signature of Lourdes A. Leon Guerrero.

LOURDES A. LEON GUERRERO

I Maga'hågan Guåhan
Governor of Guam

Enclosure: Bill No. 396-35 (COR) *nka P.L. 35-127*

cc via email: *Sigundo Maga'låhen Guåhan*
Compiler of Laws

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

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÅGAN GUÅHAN

This is to certify that **Bill No. 396-35 (COR), "AN ACT TO ADD A NEW § 1515.1 TO ARTICLE 5 OF CHAPTER 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO APPROVING THE TERMS AND CONDITIONS TO REFUND ALL OR A PORTION OF THE GOVERNMENT OF GUAM HOTEL OCCUPANCY TAX REVENUE BONDS, SERIES 2011A; TO AUTHORIZING THE LOCAL SALE OF BONDS; AND TO APPROPRIATING ADDITIONAL FUNDS TO THE GUAM VISITORS BUREAU FOR ITS OPERATIONS,"** was on the 17th day of December 2020, duly and regularly passed.



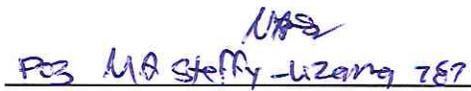
Tina Rose Muña Barnes
Speaker

Attested:



Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 17th day of Dec,
2020, at 10:28 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:



Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 12/29/2020

Public Law No. 35-127

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

Bill No. 396-35 (COR)

As amended by the Committee on General
Government Operations, Appropriations, and Housing.

Introduced by:

Therese M. Terlaje
Clynton E. Ridgell
Joe S. San Agustin
Tina Rose Muña Barnes
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Telena Cruz Nelson
Sabina Flores Perez
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Mary Camacho Torres

**AN ACT TO *ADD* A NEW § 1515.1 TO ARTICLE 5 OF
CHAPTER 1, TITLE 5, GUAM CODE ANNOTATED,
RELATIVE TO APPROVING THE TERMS AND
CONDITIONS TO REFUND ALL OR A PORTION OF
THE GOVERNMENT OF GUAM HOTEL OCCUPANCY
TAX REVENUE BONDS, SERIES 2011A; TO
AUTHORIZING THE LOCAL SALE OF BONDS; AND TO
APPROPRIATING ADDITIONAL FUNDS TO THE
GUAM VISITORS BUREAU FOR ITS OPERATIONS.**

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

2 **Section 1. Authorization of Hotel Occupancy Tax Revenue Bonds.** A
3 new § 1515.1 is hereby *added* to Article 5 of Chapter 1, Title 5, Guam Code
4 Annotated, to read as follows:

1 **“§ 1515.1. Authorization of One (1) or More Series of Hotel**
2 **Occupancy Tax Revenue Bonds.**

3 (a) *I Liheslaturan Guåhan*, pursuant to 12 GCA § 50103(k), hereby
4 authorizes *I Maga'hågan Guåhan* to issue one (1) or more additional series of
5 tax-exempt and/or taxable Government of Guam Hotel Occupancy Tax
6 Revenue Bonds, as provided in this Section, in an aggregate principal amount
7 not to exceed Seventy-five Million Dollars (\$75,000,000) for the following
8 purposes: (1) to refund all or a portion of the outstanding Government of
9 Guam Hotel Occupancy Tax Revenue Bonds, Series 2011A (the “2011A
10 Bonds”); (2) to fund a deposit to a debt service reserve fund; and (3) to pay
11 expenses relating to the authorization, sale, and issuance of the bonds,
12 including without limitation, printing costs, costs of reproducing documents,
13 credit enhancement fees, underwriting, legal, feasibility, financial advisory
14 and accounting fees and charges, fees paid to banks or other financial
15 institutions providing credit enhancement, costs of credit ratings and other
16 costs, or charges and fees in connection with the issuance, sale and delivery
17 of the bonds, subject to the following additional conditions:

18 (1) The terms and conditions of the bonds shall be as
19 determined by *I Maga'hågan Guåhan* by the execution of a certificate
20 or indenture authorizing the issuance of the bonds, prior to the issuance
21 of the bonds, and shall be issued under the master indenture pursuant to
22 which the 2011A Bonds were issued (including any amendments
23 thereto); provided, however, that such terms and conditions shall be
24 consistent with this Section; that the bonds shall have a final maturity
25 not later than the final maturity of the 2011A Bonds; and that the
26 present value of debt service on the bonds issued to refund the 2011A
27 Bonds shall be at least two percent (2%) less than the present value of

1 debt service on the bonds being refunded or refinanced, inclusive of all
2 fees for bond counsel and bond underwriters and other costs of
3 issuance.

4 (2) The proceeds from such bonds shall be used and are
5 hereby appropriated (i) to refund all or a portion of the 2011A Bonds;
6 (ii) to fund a deposit to a debt service reserve fund; and (iii) to pay
7 expenses relating to the authorization, sale, and issuance of the bonds
8 including, without limitation, printing costs, costs of reproducing
9 documents, credit enhancement fees, underwriting, legal, feasibility,
10 financial advisory and accounting fees and charges, fees paid to banks
11 or other financial institutions providing credit enhancement, costs of
12 credit ratings and other costs, or charges and fees in connection with
13 the issuance, sale, and delivery of the bonds.

14 (3) No bonds authorized by this Section shall be sold until the
15 Board of Directors of Guam Economic Development Authority has
16 approved the sale by resolution, as provided by Chapter 50 of Title 12,
17 Guam Code Annotated.

18 (4) The issuance of bonds pursuant to this Section shall not be
19 subject to the approval of the voters of Guam.

20 (b) All bonds issued pursuant to 5 GCA §§ 1515 and 1515.1, as may
21 be amended from time to time, as well as any bonds (“Hotel Occupancy Tax
22 Bonds”) issued pursuant to that certain indenture, dated as of April 1, 2011,
23 by and among the government of Guam, the Bank of Guam, as trustee, and
24 the U.S. Bank National Association, as co-trustee, as amended or
25 supplemented from time to time in accordance with its terms (the “Hotel
26 Occupancy Tax Bond Indenture”) shall be secured by a statutory lien on all
27 revenues derived by the government of Guam from taxes imposed by 11 GCA

1 § 30101, as may be amended from time to time (“Hotel Occupancy Tax
2 Revenues”). This lien shall arise automatically without the need for any action
3 or authorization by *I Maga'hågan Guåhan*, the government of Guam, or any
4 other person or entity. Such lien shall be valid and binding from the time such
5 Hotel Occupancy Tax Bonds are issued. The Hotel Occupancy Tax Revenues
6 shall immediately be subject to such lien, and the lien shall automatically
7 attach to the Hotel Occupancy Tax Revenues and be effective, binding, and
8 enforceable against *I Maga'hågan Guåhan*, the government of Guam, their
9 successors, assignees, and creditors, and all others asserting rights therein,
10 irrespective of whether those parties have notice of the lien and without the
11 need for any physical delivery, recordation, filing, or further act. Hotel
12 Occupancy Tax Revenues that are not required to make payments on the Hotel
13 Occupancy Tax Bonds shall automatically, and without the need for any
14 further action, be released from such lien and shall be available for
15 appropriation for any other lawful purpose of the government. The statutory
16 lien described in this Subsection shall not be subject to Division 9 of Title 13,
17 Guam Code Annotated, or any successor statute. The Hotel Occupancy Tax
18 Revenues received by the government of Guam or by any trustee, depository,
19 or custodian shall be deposited in accordance with the provisions of the
20 applicable indenture.

21 In addition to the statutory lien provided for in this Subsection, all or
22 any part of the Hotel Occupancy Tax Revenues may be pledged, if and to the
23 extent determined by *I Maga'hågan Guåhan*, to secure the payment of any
24 Hotel Occupancy Tax Bonds. Any such pledge shall be valid and binding
25 against all parties in accordance with its terms and have priority against all
26 parties in accordance with its terms from the time the pledge is made, and
27 property so pledged shall immediately be subject to the lien of the pledge

1 without the need for physical delivery, recordation, filing, or other further act.
2 The pledge shall not be subject to Division 9 of Title 13, Guam Code
3 Annotated, or any successor statute. The indenture by which such pledge is
4 created need not be recorded. All Hotel Occupancy Tax Revenue so pledged
5 is hereby appropriated for the purpose for which it has been pledged.
6 Indebtedness issued by the government pursuant to this Article and that is
7 payable from Hotel Occupancy Tax Revenue may not be issued in an amount
8 that would cause a violation of the debt limitation provisions of Section 11 of
9 the Organic Act of Guam.”

10 **Section 2. Local Sale of Bonds.** *I Maga'hågan Guåhan* shall undertake her
11 best efforts to cause a portion of any bonds issued pursuant to 5 GCA § 1515.1 to be
12 offered for sale in Guam, as well as in other jurisdictions, if and to the extent that
13 such offer and any sales resulting from such offer do not increase the cost to the
14 government of Guam of issuing and repaying such bonds.

15 **Section 3. Additional Funds Appropriated to the Guam Visitors**
16 **Bureau for the Fiscal Year ending September 30, 2021.** In addition to other funds
17 appropriated to the Guam Visitors Bureau (GVB) for its operations for the Fiscal
18 Year ending September 30, 2021, *I Liheslaturan Guåhan* hereby appropriates to the
19 GVB for the Fiscal Year ending September 30, 2021 the sum that corresponds to the
20 dollar amount of debt service savings that the government of Guam’s Tourist
21 Attraction Fund realizes in the Fiscal Year ending September 30, 2021 that results
22 from the refunding of the 2011A Bonds.