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<th>BILL NO.</th>
<th>SPONSOR</th>
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<th>FISCAL NOTES</th>
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<tr>
<td>140-35 (COR)</td>
<td>Joe S. San Agustin, Clynton E. Ridgell, Tina Rose Muña Barnes</td>
<td>AN ACT TO AMEND § 1216 TO CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS FROM TIME TO TIME.</td>
<td>5/23/19 10:52 a.m.</td>
<td>6/14/19</td>
<td>Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response</td>
<td>7/9/19 5:30 p.m.</td>
<td>8/12/19 4:56 p.m.</td>
<td>6/24/19</td>
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<td>SESSION DATE</td>
<td>TITLE</td>
<td>DATE PASSED</td>
<td>TRANSMITTED</td>
<td>DUE DATE</td>
<td>PUBLIC LAW NO.</td>
<td>DATE SIGNED</td>
<td>NOTES</td>
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September 4, 2019

HONORABLE TINA MUNA BARNES
Speaker
I Mina’trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96932

Re: Bill No. 140-35 (COR) – An Act To Amend § 1216 Of Article 2, Chapter 1, Title 12, Guam Code Annotated, Relative To Authorizing The Issuance Of Revenue Bonds Of The A.B. Won Pat International Airport Authority, Guam, To Refund All Or A Portion Of Its Outstanding General Revenue Bonds, 2013 Series C.

Dear Madame Speaker:

It is the job of the government of Guam, in all it does, to provide efficient and effective services to our people. Whenever there is potential to provide such services at a reduced cost, it is our duty to explore such opportunities. Bill 140-35 (COR), which I have signed into law as Public Law 35-33, provides the A.B. Won Pat International Airport Authority with the means to explore such an opportunity as it relates to its outstanding 2013 Series C General Revenue Bonds.

I am confident that the Airport Authority will work in earnest to achieve the debt service savings this piece of legislation authorizes it to pursue.

Senseremente,

LOURDES A. LEON GUERRERO
Maga’hågan Guåhan
Governor of Guam

Enclosure(s): Bill No. 140-35 nka Public Law 35-33

cc via email: Sigundo Maga’låhen Guåhan
Compiler of Laws
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÁGAN GUÁHAN

This is to certify that Bill No. 140-35 (COR), "AN ACT TO AMEND § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUTSTANDING GENERAL REVENUE BONDS, 2013 SERIES C," was on the 22nd day of August 2019, 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 23rd day of August, 2019, at 9:14 o'clock A.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 9/4/2019

Public Law No. 35-33
Book No. 140-35 (COR)
As amended in the Committee of the Whole.

Introduced by:

Joe S. San Agustin
Clynton E. Ridgell
Tina Rose Muña Barnes
William Mendiola 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
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO AMEND § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUSTANDING GENERAL REVENUE BONDS, 2013 SERIES C.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan finds that 12 GCA § 1216 provides that the A.B. Won Pat International Airport Authority,
Guam (Authority) is authorized to incur indebtedness by the issuance of general revenue bonds for the purpose of refunding any general revenue bonds of the Authority then outstanding.

12 GCA § 1208 provides that no general revenue bonds of the Authority shall be issued unless authorized by the Board of the Authority in a bond resolution adopted by it and approved by I Maga'hågan Guåhan, and unless I Lihesluran Guåhan approves the terms and conditions of the bonds.

12 GCA § 50103 provides that public corporations of the government of Guam, including the Authority, shall issue bonds and other obligations only by means of, and through the agency of the Guam Economic Development Authority (GEDA), and that GEDA shall not sell any bond without the approval by I Lihesluran Guåhan of the terms and conditions of the bonds.

Based on low interest rates and current market conditions, the Authority expects to be able to refund all or a portion of its outstanding General Revenue Bonds, 2013 Series C (the “2013 C Bonds”) for debt service savings.

Therefore, in order to benefit the airport and the tourism industry that is reliant on the functions of the airport, I Lihesluran Guåhan intends to approve the issuance of revenue bonds by the Authority to refund all or a portion of its 2013 C Bonds, all subject to approval by I Maga'hågan Guåhan and the Board of Directors of GEDA in accordance with law.

Section 2. § 1216 of Article 2, Chapter 1, Title 12, Guam Code Annotated, is hereby amended to read as follows:

"§ 1216. Refunding of Bonds."

(a) The Board may authorize the issuance of refunding bonds for the purpose of refunding any or a portion of bonds then outstanding and issued under this Article, whether or not such outstanding bonds have matured or are then subject to redemption. The Board may provide for the issuance of a single
issue of bonds for the combined purposes of (1) financing the cost of improvement or expansion of the airport; and (2) refunding bonds which shall therefore have been issued by the Authority and shall then be outstanding, whether or not such outstanding bonds have matured or are then subject to redemption. Nothing in this Section shall require or be deemed to require the Authority to elect to redeem or prepay bonds being refunded, or to redeem or repay bonds being refunded which were issued in the form customarily known as term bonds in accordance with any sinking fund installment schedule specified in the bond resolution authorizing the issuance thereof, or, in the event the Authority elects to redeem or prepay any such bonds, to redeem or prepay as of any particular date or dates. The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and powers, privileges, duties and obligations of the Authority with respect to the bonds shall be governed by the provisions of this Article insofar as those provisions may be applicable.

(b) *Iliheslaturan Guåhan*, pursuant to § 1208(a) of this Article and 12 GCA § 50103(k) hereby approves the terms and conditions of the issuance of general revenue bonds by the Authority for the purpose of refunding all or a portion of the Authority’s outstanding General Revenue Bonds, 2013 Series C (herein the “2013 C Bonds”) in accordance with the following requirements, limitations, terms and conditions:

(1) All obligation of the Authority to pay debt service on, and the redemption price of, the 2013 C Bonds refunded shall be discharged concurrently with the issuance of the refunding bonds. Thereafter, such 2013 C Bonds shall be payable solely from and secured solely by an escrow established for such purpose in accordance with the Authority’s existing bond indenture.
(2) Such bonds shall be issued and sold in compliance with the provisions of Article 2 of Chapter 1, Title 12, Guam Code Annotated, including approval of the bond resolution by the Board of Directors of the Authority and by I Maga'hågan Guåhan as provided therein.

(3) The sale of the bonds shall be approved by the Board of Directors of GEDA as provided by Chapter 50 of Title 12, Guam Code Annotated.

(4) The debt service savings resulting from the issuance of the refunding bonds shall be not less than an amount equal to two percent (2%) of the principal amount of the 2013 C Bonds refunded. Debt service savings is defined for this purpose to be the amount by which the present value of debt service on the 2013 C Bonds exceeds the present value of debt service on the refunding bonds, using the yield on the refunding bonds as the discount rate for purposes of calculating present value.

(5) Such refunding bonds shall have a principal amount or principal amounts sufficient to provide funds for the payment of all or a portion of the 2013 C Bonds refunded, and in addition, for the payment of all expenses incident to the calling, retiring, or paying of such 2013 C Bonds and the issuance of such refunding bonds, including:

(A) the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold;

(B) any amount necessary to be made available for the payment of interest upon such refunding bonds from the date of
sale thereof to the date of payment of the 2013 C Bonds or to the
date upon which the 2013 C Bonds will be paid pursuant to the
call thereof or agreement with the holders thereof;

(C) the premium, if any, necessary to be paid in order to
call or retire the 2013 C Bonds and the interest accruing thereon
to the date of the call or retirement; and

(D) any additional amount needed to provide for a
deposit to the debt service reserve in connection with the
issuance of the refunding bonds.

(c) Reporting Requirements.

(1) The Authority shall submit a Notice of Intent to issue and
sell such bonds as authorized in this Section to I Lihesluran Guåhan
no less than ten (10) working days before the consideration of the bond
resolution by the Board of Directors of the Authority. The notice shall
include a determination by the Authority on how the savings, which
will be derived upon the issuance of the refunding bonds, will be used
and expended.

(2) GEDA shall submit a report to I Lihesluran no less than
five (5) working days after the issuance and sale of such bonds, which
shall include:

(A) the debt service savings resulting from the issuance
of the refunding bonds;

(B) the principal amounts of the refunding bonds;

(C) the expenses incident to the calling, retiring, or
paying of such prior bonds as enumerated in Subsection
(b)(5)(A)-(D) of this Section;
(D) a determination by the Authority on how the savings, which will be derived upon the issuance of the refunding bonds, will be used and expended; and

(E) an analysis of the use of debt savings to fund additional projects as it relates to the Authority’s total debt outstanding. The analysis shall include the impact the projects will have on the Authority’s financial health.”

Section 3. The debt service savings resulting from the issuance of the refunding bonds, as authorized by this Act, shall be used for capital improvement projects only and shall not be used toward salary increases or adjustments of any kind.

Section 4. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.