

I Mina'trentai Sais 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
189-36 (COR)	Clynton E. Ridgell	AN ACT TO APPROPRIATE FIVE MILLION DOLLARS (\$5,000,000) ANNUALLY FROM THE REVENUES RECEIVED PURSUANT TO 11 GCA CHAPTER 42, EARNED INCOME TAX CREDIT, TO THE ISLAND WATER AND SEWER INFRASTRUCTURE DEVELOPMENT FUND TO PAY FOR THE SYSTEM DEVELOPMENT CHARGES FOR SINGLE-FAMILY RESIDENTIAL AND AGRICULTURE CONNECTIONS.	9/8/21 4:58 p.m.						

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2021 (FIRST) Regular Session

Bill No. 189-36 (COR)

Introduced by:

Clynton E. Ridgell 

AN ACT TO APPROPRIATE FIVE MILLION DOLLARS (\$5,000,000) ANNUALLY FROM THE REVENUES RECEIVED PURSUANT TO 11 GCA CHAPTER 42, EARNED INCOME TAX CREDIT, TO THE ISLAND WATER AND SEWER INFRASTRUCTURE DEVELOPMENT FUND TO PAY FOR THE SYSTEM DEVELOPMENT CHARGES FOR SINGLE-FAMILY RESIDENTIAL AND AGRICULTURE CONNECTIONS.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 the payment of the System Development Charge can be a financial impediment for
4 residents who are connecting for the first time to Guam's water or wastewater
5 system, and for people who want to take up farming, aquaculture, and other
6 agricultural endeavors.. This financial impediment can prevent homeownership,
7 subsistence farming and the development of a robust agricultural industry.

8 *I Liheslatura* also finds there exists an Amortized System Development
9 Charge for residents who are constructing or purchasing a single-family dwelling
10 intended for their personal residence. Although the amortization may make the
11 upfront costs of the System Development Charge more affordable, the potential
12 homeowner ultimately must still pay the system development charge along with the

1 cost of running water and/or wastewater connections from the meter to his service
2 entrance.

3 *I Liheslaturan Guåhan* also finds that subsistence farming, aquaculture and
4 other agricultural endeavors are not even eligible to apply for the Amortized System
5 Development Charge. If the government wants to encourage subsistence farming,
6 aquaculture, and the development of a robust agricultural industry the financial
7 impediment of the system development charge should either be removed or
8 subsidized by the government.

9 *I Liheslaturan Guåhan* also finds that the Guam Waterworks Authority has
10 maintained that this system development charge is necessary to ensure that the water
11 and wastewater system is able to keep up with the demands of current and future
12 customers.

13 Therefore, it is the intent of *I Liheslatura* to provide financial assistance to
14 residential applicants connecting for the first time to Guam’s water or wastewater
15 system for a single-family dwelling intended for their personal residence,
16 subsistence farmers, subsistence aquaculture, commercial aquaculture, and
17 commercial agriculture by providing a funding source for any applicable System
18 Development Charge levied by the Guam Waterworks Authority.

19 **Section 2. Appropriation.** Five Million Dollars (\$5,000,000) shall be
20 appropriated from the revenues received pursuant to 11 GCA Chapter 42, Earned
21 Income Tax Credit for Fiscal Year 2021, and Five Million Dollars (\$5,000,000)
22 shall be appropriated from the revenues received pursuant to 11 GCA Chapter 42,
23 Earned Income Tax Credit for Fiscal Years 2022 and later, to the Island Water and
24 Sewer Infrastructure Development Fund (“Fund”). The funds shall only be used for
25 these purposes: to cover the required system development charges associated with
26 residential applications connecting for the first time to Guam’s water or wastewater
27 system for a single-family dwelling intended for their personal residence; or to cover

1 any system development charges for new or expanded subsistence farming,
2 subsistence aquaculture, commercial aquaculture, or commercial agricultural
3 connection applications. The Guam Waterworks Authority *shall* establish a
4 subaccount within the Fund for deposit of the appropriated funds, and *shall not*
5 commingle these funds with any funds received as payment of system development
6 charges.

7 **Section 3. Fund Cap.** When the Fund subaccount beginning balance has
8 reached the amount of Ten Million Dollars (\$10,000,000), the Guam Waterworks
9 Authority shall present an Island Water and Sewer Infrastructure Development Fund
10 spending plan to the Legislature for approval, detailing projects that will further
11 develop the system. This plan shall include projects that expand the water and waste
12 water system into areas in need of infrastructure in order to reduce the burden placed
13 upon residents who wish to build homes in areas without water and waste water
14 infrastructure. This spending plan must also ensure that adequate funding is left to
15 cover the average annual required system development charges as outlined in
16 Section 2 of this Act. Upon approval by the Legislature, funds from the subaccount
17 may be expended on projects delineated in the spending plan.

18 **Section 4. Reporting Requirements.** The Guam Waterworks Authority
19 shall submit an annual report to the Guam Legislature detailing the amount available
20 in the Fund subaccount, the amount spent annually from the subaccount, and a
21 breakdown of the amount spent on each category of customer as well as the number
22 of customers who have availed of this funding.

23 **Section 5. Effective Date.** This Act shall be effective upon enactment.

24 **Section 6. Severability.** If any provision of this Act or its application to any
25 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
26 *not* affect other provisions or applications of this Act that can be given effect without

- 1 the invalid provision or application, and to this end the provisions of this Act are
- 2 severable.