

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
88-36 (COR)	Joe S. San Agustin	AN ACT TO REZONE LOT NO. 5242-1-3, MUNICIPALITY OF DEDEDO, FROM AGRICULTURAL ZONE (A) TO SCHOOL ZONE (S-1), RELATIVE TO THE USE OF SAID LOT FOR THE ILEARN ACADEMY CHARTER SCHOOL CAMPUS.	3/18/21 3:03 p.m.	3/19/21	Committee on Health, Land, Justice, and Culture			Request: 3/22/21 3/26/21	



Vice Speaker

TINA ROSE MUÑA BARNES

CHAIRPERSON, COMMITTEE ON RULES

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March 26, 2021

MEMO

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

From: **Vice Speaker Tina Rose Muña Barnes**
Chairperson, Committee on Rules

Re: **Fiscal Notes**

Buenas yan Håfa adai.

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

Bill No. 76-36 (COR)

Bill No. 79-36 (COR)

Bill No. 88-36 (COR)

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

If you have 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. 88-36 (COR)**

BILL NO. 88-36 (COR) IS AN ACT TO REZONE LOT NO. 5242-1-3, MUNICIPALITY OF DEDEDO, FROM AGRICULTURAL ZONE (A) TO SCHOOL ZONE (S-1), RELATIVE TO THE USE OF SAID LOT FOR THE iLEARN ACADEMY CHARTER SCHOOL CAMPUS.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Academy Charter School Council		Dept./Agency Head: Evangeline Cepeda, Chairwoman	
Department's General Fund (GF) appropriation(s) to date:		\$10,710,000	
Department's Other Fund appropriation(s) to date:		\$0	
Total Department/Agency Appropriation(s) to date:		\$10,710,000	

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 2021 Appro. (P.L. 35-99)	\$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 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	1/	1/	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	1/	\$0	\$0	\$0	\$0

- 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? / X / Yes / / No
- 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: <u>Katherine Parkinson-Borja</u> Date: <u>3/26/21</u>	Director: <u>Lester L. Carlson, Jr.</u> Date: <u>MAR 26 2021</u>
Katherine Parkinson-Borja, BMA I	Lester L. Carlson, Jr., Director

Notes:
1/ See attached Comments.

Bureau of Budget & Management Research
Comments on Bill No. 88-36 (COR)

Upon the enactment of Bill No. 88-36 (COR), Lot No. 5242-1-3 will be rezoned from an Agricultural (A) Zone to a School Zone (S-1). Should any surrounding lot(s) in the school's immediate vicinity be later acquired and used exclusively for education, the enactment of this bill would also allow for the lot(s) to be rezoned to a School Zone. The rezoning of Lot No. 5242-1-3 would allow the Nonprofit organization, iLearn Academy Charter School (iLACS) to further develop the school's property and move forward with the construction of a new facility.

Per correspondence with iLACS, the owner of Lot No. 5242-1-3 is a nonprofit organization called The Learning Institute, not iLearn Academy Charter School, as indicated in line 15, Section 2, in Bill No. 88-36 (COR). The Bureau notes that The Learning Institute is not listed in Department of Revenue and Taxation's list of Tax-Exempt Organizations, which is posted on their website.

Because §12116 (d), Chapter. 12, Title 17, Guam Code Annotated, prohibits capital improvement funds from being awarded to charter schools to construct a school, The Learning Institute was created to assist iLACS in obtaining funding to build their facility. Funding for this facility is from the Guam Housing and Urban Renewal Authority's *Guam's Community Development Block Grant Section 108 Loan Guarantee Program*. iLACS intends to lease the property from the Learning Institute, and eventually purchase the facility from the Learning Institute.

There are tax implications associated with the zone change and the completion of new facility for The Learning Institute because the proposed changes and development of the subject lot would likely increase Lot No. 5242-1-3 property value, and thus, increase the Learning Institutes' tax obligation to the Government of Guam.

If in fact, The Learning Institute is/becomes a tax-exempt organization in Guam, the residual tax implications relative to the zone change and development of Lot No. 5242-1-3 would likely no longer apply; this would also apply to the zone change and development of any surrounding lot(s) that may be later acquired and developed by the Learning Institute for the iLACS' use.

Should The Learning Institute be exempt from property taxes, the Government of Guam could still see positive impact from the economic activity associated with the construction of a new facility. Further, the Department of Land Management and the Department of Public Works would likely be the recipients of any fees collected through the issuance of permits needed to facilitate and begin construction on Lot No. 5242-1-3; this would also apply to the zone change and development of any surrounding lot(s) that may be later acquired and developed by The Learning Institute for the iLACS' use.

However, without more information, the Bureau is unable to determine the anticipated revenue that may be collected from the Learning Institute to begin construction on a new facility on Lot No. 5242-1-3 for iLACS should the proposed bill become law.