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**Bureau of Budget & Management Research  
Attachment to Fiscal Note No. 151-36 (COR)  
(for revenue generating provisions)**

Projected Multi-Year Revenues					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>General Fund</b>	1/	1/	1/	1/	1/
<b>Special Fund</b>	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	1/	1/	1/	1/	1/

**Comments:** Bill 151-36 intends to provide for stronger penalties to address unsafe structures or derelict buildings and mandates that the costs will be the responsibility of the property owner. The government may assume costs and place a lien against the property until costs are recovered. The Bill also adds on to the penalty for entering unsafe structures without permission from the head of the Department of Public Works (DPW). The estimated potential revenue impact are noted in the following illustration below should there be 1, 3, or 5 citations and/or fines issued pursuant Unsafe Structures under Article 5 of Chapter 66 of 21 GCA by the DPW per month. It is assumed that the revenues collected are deposited into the General Fund as the costs incurred by DPW to demolish the unsafe structure or derelict building is to be paid by the General Fund, and as Bill 151-36 does not specifically identify a Fund where revenues collected are to be deposited.

**1/ Penalties Relative to Unsafe Structures & Derelict Buildings - Estimated Potential Revenue Impact**

Revenue Item	Amount	# citations/ fines issued	\$ per month	\$ per year
1. Citation for unlawful removal of DPW Notice of Unsafe Structure pursuant to §66503(a)(2)	\$10,000.00	1	\$10,000.00	\$120,000.00
		3	\$30,000.00	\$360,000.00
		5	\$50,000.00	\$600,000.00
2. Citation w/penalty for Failure to Appear pursuant to §66503(b)(1)	\$5,000.00	1	\$5,000.00	\$60,000.00
		3	\$15,000.00	\$180,000.00
		5	\$25,000.00	\$300,000.00
3. Citation for Non-compliance pursuant to §66503(c)	\$10,000.00	1	\$10,000.00	\$120,000.00
		3	\$30,000.00	\$360,000.00
		5	\$50,000.00	\$600,000.00

**1/ Penalties Relative to Unsafe Structures & Derelict Buildings - Estimated Potential Revenue Impact (continued)**

<b>Revenue Item</b>	<b>Amount</b>	<b># citations/ fines issued</b>	<b>\$ per month</b>	<b>\$ per year</b>
4. Fine for Entering a Vacated Building without Permission from DPW Director pursuant to §66505(a)	\$10,000.00	1	\$10,000.00	\$120,000.00
		3	\$30,000.00	\$360,000.00
		5	\$50,000.00	\$600,000.00
5. Fine per violation for Entering an Unsafe Structure without Permission from DPW Director pursuant to §66507(b)	\$1,000.00	1	\$1,000.00	\$12,000.00
		3	\$3,000.00	\$36,000.00
		5	\$5,000.00	\$60,000.00
<b>Total Estimated - Revenue Items Combined</b>		<b>1</b>	<b>\$36,000.00</b>	<b>\$432,000.00</b>
		<b>3</b>	<b>\$108,000.00</b>	<b>\$1,296,000.00</b>
		<b>5</b>	<b>\$180,000.00</b>	<b>\$2,160,000.00</b>

**Bureau of Budget and Management Research**  
**Comments on Bill No. 151-36 (COR)**

The intent of Bill 151-36 is to amend Article 5 of Chapter 66, Title 21, Guam Code Annotated relative to Unsafe Structures. The preamble of the Bill indicates the intent is to modernize the process and penalties in association with the unsafe and derelict buildings and structures. Furthermore, Section 1 of the Bill states the *I Liheslaturan Guåhan* finds that Guam's statute associated with unsafe buildings and structures require some modifications to provide inspectors of the Department of Public Works (DPW) reasonable timelines to work with property owners of derelict structures to remedy the problem and that stringent penalties are needed to assure compliance with Guam's laws associated with vacating, repairing, or demolishing unsafe structures exist.

The current §66506 (c) allows the building official to take action on a derelict building that pose an actual and immediate danger to the public to be made temporarily safe, or if necessary, to be demolished. The building official may also vacate adjacent structures and protect the public by an appropriate fence or may also close a public or private way. The costs incurred under this section shall be paid out of the General Fund of Guam on a certified voucher of the building official. Such costs shall be a lien on the land on which the building exists or existed, as the case may be, until recovered by the government of Guam.

Bill 151-36 will add the following penalties: a \$10,000 citation for unlawful removal of a DPW Notice of Unsafe Structure pursuant to §66503(a)(2); a \$5,000 citation for Failure to Appear pursuant to §66503(b)(1); a \$10,000 citation against the property owner for noncompliance pursuant to §66503(c); and a fine of \$10,000 for Entering a Building Vacated without Permission from the DPW Director pursuant to §66505(a). The Bill also adds to the current fine of up to \$1,000 per violation for any person entering and unsafe structure without permission of the Director of DPW pursuant to §66507(b) by placing a mandatory community service of up to 100 hours, plus an additional 50 hours for each subsequent violation.

In regards to the number of unsafe and/or derelict buildings, according to a PDN Article dated October 27, 2020, the DPW Director had indicated that the department had started a program to address derelict buildings starting in Tumon and expressed in the article that there could be as many as 1,000 buildings that need to be addressed on Guam. In another PDN Article dated March 16, 2021, the DPW Director had noted that about 70 buildings around the island have been inspected and given notices to comply with local law.

The Bureau has yet to receive the requested comments on Bill 151-36 from DPW as of this date relative to the estimated cost that may be incurred and the anticipated revenue impact of the various added penalties that are being proposed. The enactment of Bill 151-36 will pose a fiscal impact in terms of revenues generated by citations with monetary penalties and the imposition of fines. As reflected on the Attachment to Bill No. 151-36 for revenue generating measures, the Bureau provides an estimated potential revenue impact of the proposed measure should there be a total of 1, 3 or 5 citations issued and/or fines imposed per month by DPW. The Bureau recommends that language to either clarify or identify the Fund where revenues collected are to be deposited into be included in the proposed Bill.