

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
266-37 (COR)	Therese M. Terlaje	AN ACT TO IMPLEMENT A GRADUAL PROPERTY TAX INCREASE FOR R1 AND A ZONE PROPERTIES FOLLOWING THE 2024-2025 ISLAND-WIDE REAL PROPERTY REVALUATION TO MAINTAIN AFFORDABILITY AND STABILITY IN HOUSING AND FOOD.	4/8/24 10:33 a.m.	4/11/24	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 4/11/24 4/19/24			

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

Bill No. 266-37 (COR)

Introduced by:

Therese M. Terlaje 

**AN ACT TO IMPLEMENT A GRADUAL PROPERTY
TAX INCREASE FOR R1 AND A-ZONE PROPERTIES
FOLLOWING THE 2024-2025 ISLAND-WIDE REAL
PROPERTY REVALUATION TO MAINTAIN
AFFORDABILITY AND STABILITY IN HOUSING AND
FOOD**

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

2 **Section 1. Section 1. Legislative Findings and Intent.** *I Liheslaturan*
3 *Guåhan* finds that the legislature removed funding authorization for a real property
4 tax assessment from the Governor's FY 24 Budget Bill No. 236-37, now P.L. 37-42
5 in a Legislative effort to delay any adverse impact on the cost of living in Guam.

6 *I Liheslaturan Guåhan* further finds that the according to the Department of
7 Revenue and Taxation, the Governor and Lt. Governor are moving forward with an
8 island-wide real property revaluation, having reportedly allocated \$2M from federal
9 American Rescue Plan Act (ARPA) funds for this initiative.

10 *I Liheslaturan Guåhan* finds that Guam law mandates under 11 GCA §24306,
11 that a revaluation of all property values in Guam is to occur every five (5) years. The
12 last such revaluation was conducted approximately 10 years ago in 2014-2015.

1 *I Liheslaturan Guåhan* finds that the anticipated revaluation is poised to
2 inflate real property taxes for all categories, due in part to the decade that has elapsed
3 since the last assessment. This increase may significantly escalate the already high
4 cost of living a on the island. This resulting economic strain may put residential
5 landowners at risk of losing their homes and potentially exacerbate the existing
6 housing shortage.

7 Therefore, it is the intent of *I Liheslaturan Guåhan* to provide single family
8 homeowners on R1 properties, bona fide farmers on A zoned properties, and owners
9 of undeveloped R-1 or A zoned properties a manageable adjustment to their tax
10 obligations by implementing gradual real property tax increases following the
11 island-wide reassessment, thereby mitigating the impact of a steep property tax hike,
12 as a result of the decade-long interval since the previous valuation.

13 **Section 2. Implementation of a Gradual Increased Property Tax**
14 **Assessment Following the 2024-2025 Island Wide-Revaluation.**

15 Following the 2024-2025 island-wide real property revaluation, a gradual tax
16 increase for single family homeowners on R1 (One-Family Dwelling Zone)
17 properties, bona fide farmers on A (Agricultural Zone) properties, and owners of
18 undeveloped R1 or A zoned properties, is hereby enacted. The property tax
19 assessment resulting from this revaluation will not immediately reflect the full
20 increase in value. Real property tax increases will be phased in as follows:

- 21 (a) 20% of the tax increase based on the new assessment will be applied
22 one (1) year post-revaluation.
- 23 (b) 40% of the tax increase based on the new assessment will be applied
24 two (2) years post-revaluation.
- 25 (c) 60% of the tax increase based on the new assessment will be applied
26 three (3) years post-revaluation.

1 (d) 80% of the tax increase based on the new assessment will be applied
2 four (4) years post-revaluation.

3 (e) 100% of the tax increase based on the new assessment will be applied
4 five (5) years post-evaluation and onwards

5 **Section 3. Effective Date.** This Act shall become immediately effective
6 upon enactment.