

*I Mina'trentai Siette 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
1-37 (COR)	Sabina Flores Perez	AN ACT TO AMEND § 24105 OF CHAPTER 24, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES.	1/5/23 10:07 a.m.	1/6/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning			Request: 1/6/23  1/19/23	



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature

January 19, 2023

**To:** **RennaeVanessa C. Meno**  
Clerk of the Legislature

**From:** **Senator Chris Barnett** *CB*  
Chairperson, Committee on Rules

**Subject:** **Fiscal Note for Bill No. 1-37 (COR)**

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*Håfa Adai,*

Find the attached, Fiscal Note for the following bill:

**Bill No. 1-37 (COR).**

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 1-37 (COR)**

**AN ACT TO AMEND § 24105 OF CHAPTER 24, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES.**

**Department/Agency Appropriation Information**

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Dafne Mansapit-Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	\$13,555,858
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$433,783); Better Public Service Fund (\$1,251,802); Tax Collection Enhancement Fund (\$704,824)	\$2,389,409
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$15,945,267</b>

**Fund Source Information of Proposed Appropriation**

	General Fund:	Special Fund:	Total:
FY 2022 Unreserved Fund Balance	\$0	\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Estimated Fiscal Impact of Bill**

	One Full Fiscal Year	For Remainder of FY 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	1/	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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|---|-------------------------|----------------------------|---------------------------|
| 1. Does the bill contain "revenue generating" provisions?<br>If Yes, see attachment   |                         | // Yes                     | /X/ No                    |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?<br>If no, what is the additional amount required? \$ _____  | /X/ N/A                 | // Yes                     | // No                     |
| 3. Does the Bill establish a new program/agency?<br>If yes, will the program duplicate existing programs/agencies?<br>Is there a federal mandate to establish the program/agency? | /X/ N/A                 | // Yes<br>// Yes<br>// Yes | /X/ No<br>// No<br>/X/ No |
| 4. Will the enactment of this Bill require new physical facilities?   |                         | // Yes                     | /X/ No                    |
| 5. Was Fiscal Note coordinated with the affected dept/agency?<br>// Requested agency comments not received by due date:   | If no, indicate reason: | /X/ Yes<br>// Other        | // No                     |

Analyst: <u>Raymond Rieta, BMA III</u>	Date: <u>1/13/23</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JAN 18 2023</u>
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Notes:  
1/ See Additional Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 1-37 (COR)**

Bill No. 1-37 is an act to amend § 24105 of Chapter 24, Title 11 Guam Code Annotated relative to excluding the value added to buildings from the installation of photovoltaic solar panels and roof tiles for purposes of levying real estate taxes. The intent of the bill is to promote the island's transition to renewable energy by exempting additional real estate tax valuation due to the increase in the value of buildings, owned by individuals or businesses, that may result from the installation of solar panels.

Based on an online article from Architectural Digest, the National Renewable Energy Laboratory (NREL) states that for homes that have installed solar panels reducing energy costs and carbon emissions, the home values increase by \$20 for every \$1 saved on energy bills. For example, if a solar energy system saves \$700 per year, the value of the home increases by \$14,000. The article further adds that installing a solar system increases the property value, thus increasing property taxes. Nevertheless, 36 states have laws that exempt solar owners from paying increased property taxes.

Additionally, fiscal comments received from the Department of Revenue and Taxation (DRT) cite DRT's Real Property Tax Division currently does not assess taxes on such improvements nor on energy efficient air conditioners or appliances due to its depreciative nature and thereby conclude that there is no fiscal impact to real property tax revenues upon the enactment of Bill No. 1-37.