

I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
110-37 (LS)	Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education and the Advancement of Women, Youth, and Senior Citizens by request of <i>I Kongressun Manhoben Guåhan</i> , the Guam Youth Congress, in accordance with 2 GCA §7102.	AN ACT TO ADD A NEW §24414 TO ARTICLE 4, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, ADD A NEW § 58110.1 TO ARTICLE 1, CHAPTER 58, TITLE 12, GCA, AND AMEND §58203, ARTICLE 2, CHAPTER 58, TITLE 12, GCA, RELATIVE TO IMPLEMENTING PROPERTY TAX ABATEMENT INCENTIVES TO PROMOTE THE IMPLEMENTATION OF GREEN ROOFS AND REQUIRING A PERCENTAGE OF ROOFING AREAS FOR GREEN ROOFS CERTAIN QUALIFYING CERTIFICATE AND HOTEL DEVELOPMENTS.	5/2/23 10:22 a.m.	5/3/23	Committee on General Government Operations and Appropriations	Request: 5/3/23 5/15/23			



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

May 15, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

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

Subject: **Fiscal Note for Bill No. 110-37 (LS)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 110-37 (LS).

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. 110-37 (LS)

AN ACT TO ADD A NEW §24414 TO ARTICLE 4, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, ADD A NEW §58110.1 TO ARTICLE 1, CHAPTER 58, TITLE 12, GCA, RELATIVE TO IMPLEMENTING PROPERTY TAX ABATEMENT INCENTIVES TO PROMOTE THE IMPLEMENTATION OF GREEN ROOFS AND REQUIRING A PERCENTAGE OF ROOFING AREAS FOR GREEN ROOFS CERTAIN QUALIFYING CERTIFICATES AND HOTEL DEVELOPMENTS.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Melanie Mendiola, CEO/Administrator
Department's anticipated revenues to date:	\$2,957,299
Department's appropriation(s) to date:	\$0
Total Department/Agency revenues to date:	\$2,957,299

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2022 Unreserved Fund Balance		\$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
Total:	\$0	\$0	\$0

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	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes /X/ 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? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: /X/ Yes / / No
 /X/ Requested agency comments not received by due date / / Other:

Analyst: <u>Kating</u> Katherine Parkinson-Borja	Date: <u>5/12/23</u>	Director: <u>[Signature]</u> Lester L. Carlson, Jr.	Date: <u>MAY 15 2023</u>
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Notes:
 1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 110-37 (LS)

The proposed Bill seeks to promote vegetation covered roofs, known as “green roofs”, by incentivizing the implementation of green roofs by providing a one-time, one hundred percent tax abatement for property owner(s) of any commercial or residential building that meets the requirements stipulated in the Bill. The property owner whose property qualifies for the one-time tax abatement shall be “entitled to the one-time tax abatement for the duration of the life of the building.” The Department of Public Works (DPW) shall certify the compliance of the building/structure.

If passed, the Bill would allow developers who meet the requirements to qualify for a Special Hotel Qualifying Certificate, which shall constitute conclusive evidence that the qualifying hotel is entitled to the tax rebate, abatements, or exemptions as amended in §58203 of Article 2, Chapter 58, Title 12, Guam Code Annotated. DPW shall certify the compliance of the building/structure.

The Bureau notes that although the proposed legislation would benefit qualifying property owners and developers, the proposed legislation would likely have a negative impact on government finances because the tax incentives stipulated in the Bill will likely result in a reduction in government revenues collected from Real Property Taxes, and thus, negatively impact the Government of Guam’s ability to provide financial resources for government funded programs. However, the Guam Economic Development Authority (GEDA) did not respond to the Bureau’s request for comment. Absent additional information from GEDA, the Bureau is unable to ascertain a specific cost impact on government funds.