

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
115-37 (COR)	Jesse A. Lujan Telo T. Taitague Dwayne T. D. San Nicolas Chris Barnett William A. Parkinson Thomas J. Fisher Tina Rose Muña Barnes	AN ACT TO ADD A NEW § 6404(f) TO ARTICLE 4, CHAPTER 6 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE PAYMENT, REDEMPTION, REISSUANCE AND ENFORCEMENT OF COST-OF-LIVING ALLOWANCE (LOLA COLA) CERTIFICATES OF CLAIM.	5/10/23 2:43 p.m.	5/15/23	Committee on General Government Operations and Appropriations	Request: 5/15/23 6/12/23			



COMMITTEE ON RULES

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

June 12, 2023

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

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

Subject: **Fiscal Note for Bill No. 115-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 115-37 (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. 115-37 (COR)**

AN ACT TO ADD A NEW § 6404(f) TO ARTICLE 4, CHAPTER 6 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE PAYMENT, REDEMPTION, REISSUANCE AND ENFORCEMENT OF COST-OF-LIVING ALLOWANCE (LOLA COLA) CERTIFICATES OF CLAIM.

Department/Agency Appropriation Information

Dept./Agency Affected: 1) Office of the Attorney General (OAG) 2) Department of Administration (DOA) 3) GovGuam Retirement Fund (GGRF)	Dept./Agency Head: 1) Douglas Moylan, Attorney General 2) Edward Birn, DOA Director 3) Paula M. Blas, GGRF Director
Department's General Fund (GF) appropriation(s) to date: 1) \$15,719,803 2) \$8,196,612 3) \$41,235,458	\$65,151,873
Department's Other Fund appropriation(s) to date: 1) CJIS Cost-Sharing Initiative - \$81,603 2) Indirect Cost Fund & Limited Gaming Fund - \$772,067	\$853,670
Total Department/Agency Appropriation(s) to date:	\$66,005,543

Fund Source Information of Proposed Appropriation

	General Fund:	Other 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
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	1/	\$0	\$0	\$0	\$0
Other Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	1/	\$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
// Requested agency comments not received by due date: OAG // Other: _____

Analyst:  Bernice Torres	Date: _____	Director:  Lester L. Carlson, Jr., Director	Date: JUN 09 2023
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Notes:
1/ See attached comments.

Bureau of Budget & Management Research
Comments on Bill No. 115-37 (COR)

Bill No. 115-37 (COR) is an act to add a new § 6404(f) to Article 4, Chapter 6 of Title 5, Guam Code Annotated (GCA), relative to the payment, redemption, reissuance and enforcement of Cost-of-Living Allowance (LOLA COLA) Certificates of Claim.

The intent of the proposed legislation is to once again settle all questions concerning the validity or negotiability of Certificates of Claim and ensure Certificate Holders are fully compensated without further need of litigation.

The proposed new § 6404(f) added under Article 4, Chapter 6 of Title 5, GCA intends to provide the overall process of addressing the Certificate of Claim for the COLA, as follows:

(f) Reissuance or Redemption of Certificates of Claim

- (1) Waiver of Sovereign Immunity
- (2) Standing and Remedies
- (3) Payable on demand
- (4) Interest Ceases Upon Tender

This new Section shall be immediately effective upon enactment, retroactive to the date of Judgment in *Rios v. Camacho*, Superior Court Case No. SP0206-93.

The OAG has reviewed Bill No. 115-37 (COR) and believes that the fiscal impact is \$6.2 Million, interest, and attorney's fees. The Bureau had also sought comments from Department of Administration (DOA) and Government of Guam Retirement Fund (GGRF) in reference to the subject bill. According to Director Birn of DOA, they cannot comment because of a pending lawsuit and cannot determine if the amount included in the Bill is correct. DOA also stated that there is no funding source. Also, Director Blas of GGRF indicated that GGRF had some concerns regarding the Bill and stated that discussion with their Trustees is necessary prior to providing comments/response to this bill.

For your information, according to a Guam Daily Post article dated May 17, 2023 on the COLA issue, it is noted that the outstanding certificates of claim is for 400 individuals and total more than \$6.2 million. The article further stated that the GGRF has provided a list confirming that more than 400 COLA class retirees remain unpaid.

The Bureau notes that Bill 115-37 (COR) does not identify a funding source nor include an appropriation that is required to support the compensation of these unpaid COLA Certificate of Claims.