

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
122-37 (COR)	Sabina Flores Perez Therese M. Terlaje Joanne Brown	AN ACT TO ADD §§ 15310.1 AND 15310.2, ALL OF CHAPTER 15, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO DECLARATION OF INSURANCE DIVIDENDS, AND INSURANCE LOANS AND ADVANCES.	5/16/23 2:40 p.m.	5/18/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 5/18/23 6/8/23			



COMMITTEE ON RULES

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

June 8, 2023

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

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

Subject: **Fiscal Note for Bill No. 122-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 122-37 (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. 122-37 (COR)**

AN ACT TO ADD §§ 15310.1 AND 15310.2, ALL OF CHAPTER 15, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO DECLARATION OF INSURANCE DIVIDENDS, AND INSURANCE LOANS AND ADVANCES.

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)	<u>\$2,389,409</u>
Total Department/Agency Appropriation(s) to date:	\$15,945,267

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
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	1/	\$0	\$0	\$0	\$0	\$0

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|---|-------------------------|----------------------------|---------------------------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | // Yes | /X/ No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ | /X/ N/A | // Yes | // No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | /X/ N/A | // Yes
// Yes
// Yes | /X/ No
// No
/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?
/X/ Requested agency comments not received by due date: DRT | If no, indicate reason: | /X/ Yes
// Other | // No |

Analyst: <u>Raymond Reta, BMA III</u>	Date: <u>6/8/23</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>JUN 08 2023</u>
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Notes:
 1/ The Bill amends the existing law whereas no domestic company may pay any extraordinary dividends or make any other extraordinary distribution to its shareholders until proper notification has been received and approved by the Insurance and Tax Commissioner. The Bill further defines extraordinary dividend or distribution as well as adds that no domestic company may make loans or advances to any Officer, Director, Shareholder or affiliated company. The intent is to apply updated insurance practices that align with the NAIC (National Association of Insurance Commissioners) best practices. The legislation may effect overall revenues generated from taxes collected on dividends and distributions made to shareholders, however, absent information from the Department of Revenue and Taxation (DRT), the specific fiscal impact of this Bill cannot be determined at this time.