

*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
19-37 (COR)	Joe S. San Agustin	AN ACT TO TEMPORARILY WAIVE THE LEVY OF TAXES PURSUANT TO § 24103(b) OF ARTICLE 1, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REAL PROPERTY IMPROVEMENTS VALUED AT ONE MILLION DOLLARS (\$1,000,000) OR MORE.	1/27/23 9:47 a.m.	1/27/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning			Request: 1/27/23  2/16/23	



## COMMITTEE ON RULES

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

February 16, 2023

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

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

**Subject:** **Fiscal Note for Bill No. 19-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 19-37 (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. 19-37 (COR)**

**AN ACT TO TEMPORARILY WAIVE THE LEVY OF TAXES PURSUANT TO § 24103(b) OF ARTICLE 1, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REAL PROPERTY IMPROVEMENTS VALUED AT ONE MILLION DOLLARS (\$1,000,000) OR MORE.**

**Department/Agency Appropriation Information**

<b>Dept./Agency Affected:</b> Department of Revenue and Taxation (DRT)	<b>Dept./Agency Head:</b> Dafne Mansapit-Shimizu, Director
<b>Department's General Fund (GF) appropriation(s) to date:</b>	<b>\$13,555,858</b>
<b>Department's Other Fund appropriation(s) to date:</b> Banking and Insurance Enforcement Fund (\$433,783); Better Public Service Fund (\$1,250,802); Tax Collection Enhancement Fund (\$704,824)	<b>\$2,389,409</b>
<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:
<b>FY 2022 Unreserved Fund Balance</b>	\$0	\$0	\$0
<b>FY 2023 Adopted Revenues</b>	\$0	\$0	\$0
<b>FY 2023 Appro. (P.L. 36-107)</b>	\$0	\$0	\$0
<b>Sub-total:</b>	\$0	\$0	\$0
<b>Less appropriation in Bill</b>	\$0	\$0	\$0
<b>Total:</b>	\$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
<b>General Fund</b>	\$0	\$0	1/	1/	1/	\$0
<b>Special Fund</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	1/	1/	1/	\$0

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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>/X/ Requested agency comments not received by due date: DRT  | If no, indicate reason: | /X/ Yes<br>// Other        | // No                     |

<b>Analyst:</b>  Raymond Rieta, BMA III	<b>Date:</b> 2/16/23	<b>Director:</b>  Lester L. Carlson, Jr., Director	<b>Date:</b> FEB 16 2023
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**Notes:**  
1/ See Additional Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 19-37 (COR)**

Bill No. 19-37 proposes to waive the tax levy relative to §24103(b) of Article 1, Chapter 24, Title 11, Guam Code Annotated (GCA) for the period beginning January 1, 2024 to December 31, 2025. The subject GCA citation was adopted through Section 3, Chapter 1, P.L. 34-116 (FY 2019 Budget Act) to implement an additional tax levy of 7/18% on improvements on all land property on Guam with a value of \$1M or more.

Revenues collected from the cited tax levy are deposited into the Territorial Educational Facilities Fund (TEFF). Utilizing information from the AS400 financial management system to obtain data from overall revenues generated for the TEFF for the past seven fiscal years, the Bureau notes the following average collections:

FY16 – FY18 (Prior to Implementation of P.L. 34-116): **\$28.3M**

FY19 – FY22 (After Implementation of P.L. 34-116): **\$34.6M**

Should the legislation become enacted, the waiving of the subject tax levy may result in reduced revenue collections for deposit into the TEFF by an approximate average of \$6.3M, thus affecting government operations utilizing this fund source. However, absent information from the Department of Revenue & Taxation relative to tax collections from improvements on land property valued at \$1M or more, the Bureau is unable to ascertain whether the \$6.3M average difference noted above is solely attributed to revenue collections pursuant to §24103(b) of Article 1, Chapter 24, Title 11, GCA.