

*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
269-37 (COR)	Sabina Flores Perez	AN ACT TO <i>ADD</i> A NEW ARTICLE 2 TO CHAPTER 53, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO STANDARDIZING LABELING AND TESTING OF BOTTLED WATER.	4/15/24 8:00 a.m.	4/17/24	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 4/17/24  4/26/24			



## COMMITTEE ON RULES

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

April 26, 2024

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

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

**Subject:** **Fiscal Note for Bill No. 269-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 269-37 (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. 269-37 (COR)**

**AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 53, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO STANDARDIZING LABELING AND TESTING OF BOTTLED WATER.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Public Health and Social Services	Dept./Agency Head: Peter John Camacho, Acting Director
Department's General Fund (GF) appropriation(s) to date: Operations (\$65,451,346); Health Insurance Premiums for Foster Children (\$665,396); Child Protective Services Program (\$1,226,236); Supplemental Tobacco and Nicotine Control Prevention from excess FY2023 General Fund revenues (\$500,000)	<b>\$67,842,978</b>
Department's Other Fund appropriation(s) to date: Environmental Health Fund (\$1,317,328); Health Futures Fund (\$1,389,851); Health Professional Licensing Office Revolving Fund (\$285,709); Office of Vital Statistics Revolving Fund (\$228,865); DPHSS Sanitary Inspection Revolving Fund (\$293,844); Healthy Futures Fund for Guam Cancer Registry (\$389,144)	<b>\$3,904,741</b>
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$71,747,719</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2023 Unreserved Fund Balance		\$0	\$0
FY 2024 Adopted Revenues	\$0	\$0	\$0
FY 2024 Appro. (P.L. 37-42)	\$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 2024 (if applicable)	FY 2025	FY 2026	FY 2027	FY 2028
General Fund	1/	1/	\$0	\$0	\$0	\$0
Special Funds	1/	1/	\$0	\$0	\$0	\$0
<b>Total</b>	1/	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  
/ X / Requested agency comments not received by due date / / Other:

Analyst:  Tyler Bautista, BMA I	Date: <u>04/22/2024</u>	Director:  Lester L. Carlson, Jr., Director	Date: <u>APR 26 2024</u>
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Notes:  
1/ See attached comments.

**BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
COMMENTS ON BILL NO. 269-37 (COR)**

The proposed legislation seeks to add a new Article 2 to Chapter 53, Title 10, of the Guam Code Annotated which mandates the Guam Environmental Protection Agency (GEPA) and the Department of Public Health and Social Services (DPHSS) to follow a standard relative to the labeling and testing of bottled water sold on Guam. The addition of this new article provides definitions and standards for the labeling of bottled water inclusive of the exemption of labeling for other types of bottled drinks (i.e. teas, sodas, or seltzers). The proposed legislation also seeks to mandate the random testing of bottled water for regulated contaminants. The testing of the water bottles is to be conducted by GEPA, at least once annually, for products subject to regulations of the Food and Drug Administration (FDA), under the Federal Food, Drug, and Cosmetic Act (FFDCA). Additionally, GEPA is mandated to conduct at least four (4) random tests, annually, for products not subject to the FDA regulations under the FFDCA. Should the testing generate results not in line with the USEPA Safe Drinking Water Act (SDWA) 1974, then the DPHSS is responsible for issuing a recall of any lot of bottled water that has been tested and does not conform to the USEPA established contaminant levels.

Per correspondence with GEPA, they are unable to ascertain an exact fiscal impact to the extent that Bill 269-37(COR) may impose on the island should the proposed legislation become law. It is noted that the proposed legislation does not seek to increase or impose any fees on the regulated commodities, nor does it seek to increase any revenue collections. GEPA identifies this as an unfunded mandate due to compliance with the provisions in the bill, in which GEPA would need to recruit additional staff to conduct the annual random inspections as defined in the bill. However, budgeting for these inspections would be difficult to forecast at this time. At a minimum, GEPA indicated the need to recruit one (1) Environmental Inspector I and one (1) Environmental Health Specialist I. GEPA's estimated cost impact for such recruitment of personnel is \$135,349 (111: \$77,617/ 113: \$57,732).

Additionally, GEPA recognizes that the bill does not identify which government entity is responsible for the associated costs of analysis for regulated contaminants under the SDWA which can exceed \$3,000 per sample, inclusive of acquiring courier services to a certified laboratory in the United States due to the lack of laboratory capacity locally. GEPA notes that current personnel under the water division are able to take water samples. Should additional samples be needed, then participants under the WERI program at the University of Guam can take water samples at a rate of \$72/hour. However, WERI is only capable of analyzing a total of 10 contaminants out of the 90 contaminants regulated under the SDWA, which means that samples will still need to be sent to certified laboratories off island. GEPA further states that the bill lacks clear enforcement and compliance authority for administrative penalty orders specific to bottled water companies. The parties subject to the Bill's provisions could be interpreted as public water systems in which the maximum penalty is no more than \$32,500 per violation, per day.

Lastly, absent pertinent information from the DPHSS relative to estimated personnel and administrative costs associated with the recall of bottled water, the Bureau is unable to determine the full fiscal impact relative to the new mandates established by the proposed legislation should it pass.