

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
283-37 (LS)	Dwayne T.D. San Nicolas	AN ACT TO ADD A NEW § 53107.1 TO CHAPTER 53, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO THE INSPECTION OF IMPORTED WATER BOTTLES	4/25/24 8:00 a.m.	4/29/24	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 4/29/24 5/3/24			



COMMITTEE ON RULES

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

May 3, 2024

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

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

Subject: **Fiscal Note for Bill No. 283-37 (LS)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 283-37 (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. 283-37 (LS)

AN ACT TO ADD A NEW §53107.1 TO CHAPTER 53, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO THE INSPECTION OF IMPORTED WATER BOTTLES.

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)	\$67,842,978
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)	\$3,904,741
Total Department/Agency Appropriation(s) to date:	\$71,747,719

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
Total:	\$0	\$0	\$0

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

- 1. Does the bill contain "revenue generating" provisions? / / Yes / X / No
 If Yes, see attachment
- 2. 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
- 3. 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
- 4. Will the enactment of this Bill require new physical facilities? / / Yes / X / No
- 5. 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 II	Date: <u>05/02/2024</u>	Director:  Lester L. Carlson, Jr., Director	Date: <u>MAY 03 2024</u>
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Notes:
 1/ See attached comments.

**BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 283-37 (LS)**

The proposed legislation seeks to add a new Section 53107.1 to Chapter 53, Title 10, of the Guam Code Annotated which mandates the Department of Public Health and Social Services (DPHSS), with assistance from the Guam Environmental Protection Agency (GEPA), to promulgate rules and regulations to ensure that imported water bottles are safe for consumption within six (6) months of enactment of this Bill. The proposed legislation seeks to mandate that water bottles imported from regions outside of the United States be tested by a certified laboratory to ensure that it meets the standards set by the Guam Safe Drinking Water Act (GSDWA) and the US EPA. The DPHSS will be responsible for inspecting and verifying that shipments of bottled water have been tested and in accordance with the US EPA and GSDWA standards. Importers of the bottled water shall have the bottled water tested with the results submitted to the DPHSS prior to the promulgation of the rules and regulations within three (3) months of enactment of this Bill.

Per correspondence with GEPA, they are unable to ascertain an exact fiscal impact to the extent that Bill 283-37(LS) may impose on the island should the proposed legislation become law. GEPA notes that the proposed legislation *may* increase or impose any fees on the regulated commodities, and by extension, increase revenues to the Government of Guam as a result of the potential fees and fines imposed by the promulgated rules and regulations set by the DPHSS. GEPA further states that the parties found in violation of the Bill's provisions may be subject to administrative penalty orders (APO) in which the maximum penalty is no more than \$32,500 per violation, per day. Revenues generated by the APOs issued in accordance with the GSDWA are deposited into the Safe Drinking Water Fund – a non-lapsable revolving fund not subject to the governor's transfer authority.

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