

*I Mina'trentai Siette Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
<b>87-37 (COR)</b>	Sabina Flores Perez Chris Barnett	AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 16, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO CREATING A MECHANISM FOR ATTORNEYS TO EVALUATE AND PROPOSE UPDATES TO GUAM'S UNIFORM COMMERCIAL CODE.	3/31/23 10:14 a.m.	4/4/23	Committee on Health, Land, Justice, and Culture	Request: 4/4/23  4/24/23			



## COMMITTEE ON RULES

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

April 24, 2023

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

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

**Subject:** **Fiscal Note for Bill No. 87-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 87-37 (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. 87-37 (COR)**

AN ACT TO *ADD* A NEW ARTICLE 2 TO CHAPTER 16, TITLE 1, GUAM CODE ANOTATED, RELATIVE TO CREATING A MECHANISM FOR ATTORNEYS TO EVALUATE AND PROPOSE UPDATES TO GUAM'S UNIFORM COMMERCIAL CODE.

**Department/Agency Appropriation Information**

Dept./Agency Affected: Unified Judiciary of Guam	Dept./Agency Head: Danielle T. Rosette - Administrator of the Courts
Department's General Fund (GF) appropriation(s) to date:	\$33,695,731
Department's Other Fund appropriation(s) to date: Safe Streets Fund (\$51,418); Electronic Monitoring Program (\$500,000); 2% General Fund Reserve (\$190,000); Pay Adjustment (\$1,655,864); Addtl Superior Court Judge (\$400,000)	\$2,797,282
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$36,493,013</b>

**Fund Source Information of Proposed Appropriation**

	General Fund:	(Specify Special Fund):	Total:
FY 2022 Unreserved Fund Balance		\$0	\$0
FY 2023 Adopted Revenues	\$0	\$0	\$0
FY 2023 Appro. (P.L. 36-107 thru _____)	\$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 2023 (if applicable)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>1/</b>	<b>1/</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- 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 / / Other:

Analyst:  Date: <u>4/20/23</u>	Director:  Date: <u>APR 21 2023</u>
Bernice Torres, Staff Assistant	Lester L. Carlson, Jr., Director

Notes:  
1/ See attached comments.

**Bureau of Budget & Management Research  
Comments on Bill No. 87-37 (COR)**

The proposed legislation, intends to provide a mechanism for attorneys to evaluate and propose updates to Guam’s Uniform Commercial Code (UCC) by the creation of the UCC Advisory Councils within the Office of the Compiler of Laws. The purpose of the Councils is to draft amendments for *Liheslatura*, inclusive of the recommended effective dates for such amendments.

According to information received from the Judiciary of Guam;

- Bill No. 87-37 creates new duties for the Compiler of Laws including:
  - identifying attorneys to serve on councils on an uncompensated voluntary basis;
  - overseeing the councils;
  - providing administrative support;
  - compiling the recommendations of each council;
  - submitting the councils’ recommendations to the Guam Legislature; and
  - submitting annual requests for appropriations to be included in the General Appropriations Act.
- Meeting the statutory mandate of Bill No. 87-37 will require, at minimum, (2) additional employees in the following positions plus benefits:
  - Assistant to the Compiler of Laws, Grade N, Annual Base Salary of \$54,917 (GPP N-01)
  - Attorney I, Annual Base Salary of \$53,875 (APP 1-01); or Attorney II, Annual Base Salary of \$60, 817 (APP 2-01)
- Should Bill 87-37 (COR) become law, the Compiler’s Office would need to lease office space for the new personnel, as there is no available space in the current location inside the Guam Law Library. The personnel will also need office furniture (desk, chairs, etc.), computer equipment and peripherals (CPU, monitors, backup batteries, printers/copiers, etc.), and software licenses for Microsoft (Word, Excel, Outlook, etc.), Adobe Acrobat, Westlaw, dtSearch, Zoom, and others.
- In its present form, this proposed legislation is unfunded and therefore cannot be achieved without sufficient appropriation as identified above.

Below is an estimated cost impact based on the Judiciary of Guam’s Fiscal Impact statement on Bill 87-37 (COR). A copy is attached to the fiscal note for reference.

<u>Estimated Cost</u>	<u>Remainder of FY2023</u>	<u>Full Year FY2024</u>
Personnel (2)	\$ 48,538.85	\$ 168,268.48
> Salaries + Benefits		
Office Space	\$ 7,740.00	\$ 30,960.00
> 1,000 sf @ \$2.58 per square ft		
Utilities	\$ 2,400.00	\$ 9,600.00
> power/water/phone/internet		
Office Furniture & Equipment	\$ 20,000.00	\$ -
> one-time cost		
	<u>\$ 78,678.85</u>	<u>\$ 208,828.48</u>

**Fiscal Impact Statement on Bill No. 87-37 (COR)**  
**Judiciary of Guam**

The stated intent of Bill No. 87-37 (COR) is to authorize the Compiler of Laws to create advisory councils comprised of local attorneys to conduct a section-by-section review and analysis of the provisions of Uniform Commercial Code (UCC), currently codified at Title 13 of the Guam Code Annotated. The councils, under the auspices of the Compiler of Laws, are mandated to draft recommendations, conduct public hearings on the proposals, and adopt recommendations. Bill No. 87-37 creates new duties for the Compiler of Laws including:

- identifying attorneys to serve on councils on an uncompensated voluntary basis;
- overseeing the councils;
- providing administrative support;
- compiling the recommendations of each council;
- submitting the councils' recommendations to the Guam Legislature; and
- submitting annual requests for appropriations to be included in the General Appropriations Act.

Meeting the statutory mandate of Bill No. 87-37 will require, at minimum, (2) additional employees in the following positions:

- Assistant to the Compiler of Laws, Grade N, Annual Base Salary of \$54,917 (GPP N-01)
- Attorney I, Annual Base Salary of \$53,875 (APP 1-01); or Attorney II, Annual Base Salary of \$60, 817 (APP 2-01)

In addition to the base salaries indicated above, additional costs include statutory contributions and benefits, such as retirement, Medicare, life insurance, and medical and dental insurance, which would increase the personnel costs by an estimated additional \$20,000 per position.

Further, should Bill 87 become law, the Compiler's Office would need to lease office space for the new personnel, as there is no available space in the current location inside the Guam Law Library. The personnel will also need office furniture (desk, chairs, etc.), computer equipment and peripherals (CPU, monitors, backup batteries, printers/copiers, etc.), and software licenses for Microsoft (Word, Excel, Outlook, etc.), Adobe Acrobat, Westlaw, dtSearch, Zoom, and others.

Despite the legislative intent expressing the commitment of *I Liheslaturan Guåhan* to provide the Office of Compiler of Laws with the resources it needs, the proposed legislation does not provide or identify a funding source for the Compiler of Laws to accomplish these new responsibilities, and does not consider the need for additional personnel with expertise to assist the Compiler and the councils with their work.

The UCC governs commercial transactions and is considered the backbone of United States commerce. It was developed in the 1940s and 1950s as a joint project by the American Law Institute and the Uniform Law Commission and has been in existence for more 60 years. The UCC is a comprehensive set of laws and has been adopted in every state. The UCC became effective in Guam in 1977 but has not been updated since then. Although Bill No. 87-37 has the commendable goal of updating the UCC for Guam, this proposed legislation relies on the volunteer efforts of

local attorneys and imposes additional duties upon the Compiler of Laws without commensurate funding. Drawing from the Compiler's experience as a member of the Guam Criminal Law and Procedure Revision Commission, and Chair of the Subcommittee on Drugs and Other Criminal Offenses, the type of review contemplated by Bill No. 87-37 will be labor intensive and time consuming and will require hiring personnel with subject matter knowledge and expertise.

In its present form, this proposed legislation is unfunded and therefore cannot be achieved without sufficient appropriation as identified above.