




I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION

Bill No. 244-32(COR)

Introduced by:

FRANK B. AGUON, JR. 
M. F. Q. SAN NICOLAS 
R. J. RESPICIO 

AN ACT AMENDING PUBLIC LAW 32-068 RELATIVE TO WITHHOLDING TAX REVENUE COLLECTIONS AND MAKING APPROPRIATIONS TO THE UNIFIED JUDICIARY FOR LAW ENFORCEMENT SALARY INCREASE IMPLEMENTATION.

2013 DEC 19 PM 4:43 

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent.

Public Law 29-105 required the government of Guam to implement four ten percent (10%) salary increases effective October 1, 2008 and each October 1 thereafter until Fiscal Year 2012 for all law enforcement personnel inclusive of the Unified Judiciary of Guam, Guam Police Department, Department of Corrections, Customs and Quarantine Agency, Jose D. Leon Guerrero Commercial Port, A. B. Won Pat International Airport, Department of Parks and Recreation, Department of Agriculture, Attorney General's Office, Department of Revenue and Taxation and the Department of Youth Affairs.

I Liheslatura finds that Public Law 29-105 was passed unanimously by members of *I Mina'Bente Nuebi Na Liheslaturan Guåhan* and signed into law by *Segundu Na Maga'lahi Guåhan* on August 14, 2008. *I Liheslatura* further finds that for the last three years, law enforcement salaries have been frozen after the

1 implementation of the second ten percent (10%) increment resulting in accrued
2 payroll obligations owed by the government of Guam to its employees.

3 *I Maga'lahi Guåhan* has recently identified funds and ordered the final two
4 (2) ten percent (10%) increments be implemented during the first pay period in
5 December 2013. In addition, *I Maga'lahi Guahan* identified funds to pay Ten
6 Million Dollars (\$10,000,000) toward the accrued payroll liability owed to law
7 enforcement officers for Fiscal Years 2011 through 2014.

8 *I Liheslatura* further finds that funds identified by *I Maga'lahi Guåhan* are
9 only for increasing wages and paying prior obligations owed to law enforcement
10 personnel at the Guam Police Department, Department of Corrections, Customs
11 and Quarantine Agency, Department of Parks and Recreation, Department of
12 Agriculture, Attorney General's Office, Department of Revenue and Taxation and
13 the Department of Youth Affairs. Funding to increase the salaries for Unified
14 Judiciary law enforcement personnel was not identified by *I Maga'lahi Guåhan*
15 leaving the Marshal and Probation officers frozen at the second ten percent (10%)
16 increment or at a salary level twenty percent (20%) below their law enforcement
17 colleagues in other branches and agencies of the government.

18 On November 27, 2013, the Unified Judiciary fulfilled part of its obligation
19 created by Public Law 29-105 to law enforcement personnel by making a
20 retroactive payment for Fiscal Years 2009 through 2012. This retroactive payment
21 was made possible from the austerity measures put into place to reduce court
22 expenses, the collection of past due appropriations, and management tools
23 provided by *I Liheslatura* included in the FY 2013 and FY 2014 Budget Acts.

24 *I Liheslatura* further finds the unbudgeted retroactive payment of accrued
25 payroll liabilities to law enforcement personnel by the Unified Judiciary and
26 Executive Branch has created a windfall of new withholding taxes in FY 2014 or
27 collections in excess of estimates. The Unified Judiciary remitted approximately

1 Three Hundred Forty Thousand (\$340,000) in withholding taxes to the Treasurer
2 of Guam for its retroactive payments and the Executive Branch is estimated to
3 remit more than One Million Nine Hundred Thousand Dollars (\$1,900,000) in
4 withholding taxes from its retroactive payments.

5 *I Liheslatura* further finds that increasing the salary of law enforcement
6 personnel by 20% for twenty (20) pay periods in Fiscal Year 2014 will cause
7 collections of withholding taxes to exceed estimates by an additional One Million
8 Seven Hundred Thousand Dollars (\$1,700,000), inclusive of Two Hundred Twenty
9 Five Thousand Dollars (\$225,000) for Unified Judiciary personnel should the final
10 two (2) ten percent (10%) increments be implemented.

11 The total estimated windfall of withholding taxes for retroactive and
12 prospective law enforcement salary adjustments is Three Million Nine Hundred
13 Forty Thousand Dollars (\$3,940,000). It is therefore the intent of *I Liheslaturan*
14 *Guåhan* that One Million Two Hundred Thousand (\$1,200,000) of the estimated
15 windfall of withholding taxes be placed in the Provision for Income Tax Refunds.
16 The remaining Two Million Seven Hundred Forty Thousand Dollars (\$2,740,000)
17 shall be used for the following purpose, and for other purposes as set forth by I
18 *Liheslaturan Guahan*, in subsequent legislation.

19 1) FY 2014 salary increase for Marshal and Probation Officers at the
20 Unified Judiciary to ensure fair and equitable treatment of all branches of
21 government and its employees;

22 **Section 2. Section 2 of Chapter I of Public Law 32-068 is hereby**
23 **amended to read:**

24 “Section 2. Estimated Revenues for Fiscal Year 2014. *I Liheslaturan*
25 *Guåhan* adopts the following revenue estimates for Fiscal Year 2014 as the
26 basis for the appropriations contained in this Act.

27 I. GENERAL FUND REVENUES AMOUNT

1	TOTAL GENERAL FUND REVENUE	\$722,871,989	(\$726,811,989)
2	PROVISION FOR TAX REFUND PAYMENTS	(\$120,000,000)	(\$121,200,000)
3	TOTAL GENERAL FUND REVENUE AVAILABLE		
4	FOR OPERATIONS	\$602,871,989	\$605,611,989
5	A. TAXES		
6	Income Tax Corporate		\$104,887,419
7	Individual		\$84,982,063
8	Withholding Taxes, Interest and Penalties	\$222,255,762	\$226,195,762
9	Provision for Tax Refund Payments	(\$120,000,000)	(\$121,200,000)
10	TOTAL INCOME TAXES	\$292,125,244	\$294,865,244
11	Business Privilege Tax		\$232,826,385
12	Business Privilege Tax (GMHA Pharmaceuticals Fund)		(\$9,313,055)
13	Other Taxes		\$2,632,132
14	TOTAL TAXES		\$518,270,706
15	B. FEDERAL SOURCES		
16	Federal Income Tax Collection - Section 30 Funds		\$65,287,000
17	Overpayment reconciliation of Section 30 (3 of 5)		(\$2,000,000)
18	Immigration and Passport Fees		\$1,849,872
19	TOTAL FEDERAL SOURCES		\$65,136,872
20	C. USE OF MONEY AND PROPERTY		\$1,627,655
21	D. LICENSES, FEES, AND PERMITS		
22	Licenses, Fees, and Permits		\$4,711,185
23	Licenses, Fees, and Permits (Better Public Service Fund)		(\$471,119)
24	TOTAL LICENSES, FEES, AND PERMITS		\$4,240,066
25	E. DEPARTMENT CHARGES		\$1,812,516
26	TOTAL GENERAL FUND REVENUE		
27	AVAILABLE FOR APPROPRIATION	\$591,087,815	\$593,827,815

1 IV. REVENUE AVAILABLE FOR OPERATIONS SUMMARY:

2	TOTAL GENERAL FUND REVENUE	\$711,087,815	\$715,027,815
3	PROVISION FOR TAX REFUNDS	(\$120,000,000)	(\$121,200,000)
4	TOTAL GENERAL FUND REVENUE		
5	AVAILABLE FOR APPROPRIATION	\$591,087,815	\$593,827,815
6	TOTAL SPECIAL FUND REVENUE		\$168,994,981
7	TOTAL FEDERAL MATCHING GRANTS-IN-AID REVENUES		\$44,621,02
8	GRAND TOTAL	\$804,703,820	\$807,328,820”

9 **Section 3. Section 3 of Chapter I of Public Law 32-068 is hereby**
10 **amended to read:**

11 “Section 3. Authorization to Pay and Prioritize the Payment of Tax
12 Refunds.

13 *I Maga’lāhen Guāhan shall prioritize tax refunds for Tax Year 2013*
14 *and prior years A-Status Returns no less than One Hundred Twenty One*
15 *Million Two Hundred Thousand Dollars (~~\$120,000,000~~) (\$121,200,000).”*

16 **Section 4. Appropriation to the Unified Judiciary.** The sum of Nine
17 Hundred Thousand Dollars (\$900,000) is appropriated from the General Fund to
18 the Unified Judiciary for salary increases for Marshal and Probation Officers for
19 the purposes of fully implementing the raises mandated in Public Law 29-105.

20 **Section 5. Severability.** If any provision of this Act or its application to
21 any person or circumstance is held invalid, the invalidity *shall not* affect other
22 provisions or applications of this Act which can be given effect without the invalid
23 provision or application and to this end the provisions of this Act are severable.