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I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN

THIRTY-THIRD GUAM LEGISLATURE

155 Hesler Place, Hagåtña, Guam 96910

December 30, 2016

The Honorable Edward J.B. Calvo
I Maga'låhen Guåhan
Ufisinan I Maga'låhi
Hagåtña, Guam

Dear *Maga'låhi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 162-33 (COR), 200-33 (COR), 299-33 (COR), 312-33 (COR), 330-33 (COR), 332-33 (COR), 336-33 (LS), 337-33 (LS), 350-33 (COR), 356-33 (COR), 357-33 (COR), 358-33 (COR), 379-33 (COR), 380-33 (COR), 385-33 (COR), 389-33 (COR), 391-33 (COR), 392-33 (COR), 397-33 (COR), 398-33 (COR), 399-33 (COR), 402-33 (COR), 403-33 (LS), 404-33 (LS), 406-33 (COR), 407-33 (COR), 409-33 (COR) and 411 (COR), which were passed by *I Mina'Trentai Tres Na Liheslaturan Guåhan* on December 30, 2016.

Sincerely,

TINA ROSE MUÑA BARNES
Legislative Secretary

Enclosure (28)

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I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

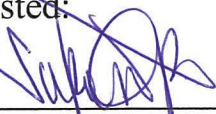
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LÅHEN GUÅHAN

This is to certify that **Substitute Bill No. 397-33 (COR), "AN ACT TO ADD NEW §§ 127115 AND 127116 TO CHAPTER 127, TITLE 11, GUAM CODE ANNOTATED; AND A NEW § 41003(b) TO ARTICLE 10, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GUAM HOUSING CORPORATION TO ESTABLISH A PILOT HOUSING FIRST PROGRAM AND UTILIZE ESCHEATED FUNDS IN THE HOUSING TRUST FUND TO FUND THE SAME,"** was on the 30th day of December 2016, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 30^m day of Dec,
2016, at 8:50 o'clock P.M.



Patricia G. Cooper
Assistant Staff Officer
Maga'låhi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'låhen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 397-33 (COR)

As substituted by the Committee
on Appropriations and Adjudication;
and amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D.

T. R. Muña Barnes

T. C. Ada

V. Anthony Ada

FRANK B. AGUON, JR.

Frank F. Blas, Jr.

B. J.F. Cruz

James V. Espaldon

Brant T. McCreadie

Tommy Morrison

R. J. Respicio

Dennis G. Rodriguez, Jr.

Mary Camacho Torres

N. B. Underwood, Ph.D.

**AN ACT TO *ADD* NEW §§ 127115 AND 127116 TO
CHAPTER 127, TITLE 11, GUAM CODE ANNOTATED;
AND A NEW § 41003(b) TO ARTICLE 10, CHAPTER 4,
TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO
AUTHORIZING THE GUAM HOUSING CORPORATION
TO ESTABLISH A PILOT HOUSING FIRST PROGRAM
AND UTILIZE ESCHEATED FUNDS IN THE HOUSING
TRUST FUND TO FUND THE SAME.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** The problem of homelessness

3 is significant in Guam as in other jurisdictions in the United States, with the

1 estimated number of nine hundred seventy-three (973) unsheltered homeless persons
2 whose primary nighttime residence is a public or private place not designed or
3 ordinarily used as a regular sleeping accommodation for human beings, including a
4 car, a park, an abandoned building, a bus, and other sites, as reported by the Guam
5 Housing and Urban Renewal Authority (GHURA) and the Guam Homeless
6 Coalition (GHC) in the Guam Homeless Point-in-Time Count conducted on January
7 29, 2016. The same report concluded that an additional one hundred thirteen (113)
8 individuals live in emergency shelters and transitional housing programs. Of the total
9 number of sheltered and unsheltered persons reported, Chamorros and Chuukese
10 were the majority of ethnic groups represented. Even more disturbing is the fact that
11 four hundred ten (410) of the total homeless individuals are minors, and twenty-one
12 (21) are veterans. Aside from the socioeconomic tragedies that accompany
13 homelessness and affect our community in Guam, the cost to taxpayers to address
14 homelessness is exorbitant everywhere. According to the U.S. Interagency Council
15 on Homelessness, some studies have found that leaving a person to remain
16 chronically homeless costs taxpayers as much as Thirty Thousand Dollars (\$30,000)
17 to Fifty Thousand Dollars (\$50,000) per year in the form of funding hospital
18 emergency room visits, substance abuse programs, jails, prisons, and psychiatric
19 institution costs. *I Liheslaturan Guåhan* recognizes the progress that GHURA and
20 GHC have made in addressing Guam's homeless problem, which is evident in the
21 eighteen percent (18%) decrease in total unsheltered persons and a twenty-nine
22 percent (29%) decrease in the number of persons residing in homeless shelters and
23 transitional housing from last year's count. These figures, however, do not change
24 the fact that homelessness on Guam could be better tackled with a prompt and
25 reliable funding source in addition to U.S. Housing and Urban Development grant
26 funding, which GHURA and GHC heavily depend on. Further, *I Liheslaturan*
27 *Guåhan* finds that exploring creative and successful approaches in addition to our

1 current models and strategies would greatly benefit our homeless population and
2 ultimately save the government of Guam money in the long run. As such, following
3 the example of other jurisdictions, it is the intent of *I Liheslaturan Guåhan* to assess
4 the feasibility of the “Housing First” model in Guam by allowing the GHC, in
5 consultation with GHURA, to utilize a percentage of escheated funds in the Housing
6 Trust Fund to establish a pilot Housing First program accessible to all homeless
7 individuals on Guam.

8 Housing First is an evidence-based model of ending homelessness, which uses
9 housing as a tool rather than a reward for recovery, and which centers on connecting
10 homeless people to permanent housing as quickly as possible, and without
11 preconditions and barriers such as sobriety, treatment or service participation
12 requirements. The program has achieved so much success that is part of a strategy
13 developed by the U.S. Interagency Working Group on Ending Chronic
14 Homelessness to end chronic homelessness by 2017. Housing First emerged as an
15 alternative to the linear approach in which people experiencing homelessness were
16 required to first participate in and graduate from short-term residential and treatment
17 programs before obtaining permanent housing. Under the linear approach,
18 permanent housing was offered only after a person experiencing homelessness could
19 demonstrate that they were “housing ready.” By contrast, Housing First is premised
20 on the following principles: (a) Homelessness is first and foremost a housing crisis
21 and can be addressed through the provision of safe and affordable housing; (b) All
22 people experiencing homelessness, regardless of their housing history and duration
23 of homelessness, can achieve housing stability in permanent housing. Some may
24 need very little support for a brief period of time, while others may need more
25 intensive and long-term supports; (c) Everyone is “housing ready.” Sobriety,
26 compliance in treatment, or even criminal histories are not necessary to succeed in
27 housing; (d) Many people experience improvements in quality of life, in the areas of

1 health, mental health, substance use, and employment, as a result of achieving
2 housing; (e) People experiencing homelessness have the right to self-determination
3 and should be treated with dignity and respect; and (f) The exact configuration of
4 housing and services depends upon the needs and preferences of the population. In
5 sum, Housing First is proving to be the most effective approach of ending chronic
6 homelessness in America.

7 As an example, the Housing First model was implemented in Utah, which has
8 reported a reduction of its homeless population by ninety-one percent (91%). In
9 2005, there were nearly two thousand (2,000) homeless people in Utah. In 2016,
10 Utah reported that the number of homeless people dropped to less than two hundred
11 (200). Learning from the successes and failures of the Housing First model, as
12 adopted in various jurisdictions and tailored to suit each one, it is the intent of *I*
13 *Liheslaturan Guåhan* to establish a funded pilot Housing First program for Guam
14 that is accessible to all homeless individuals and which *shall* be administered by the
15 Guam Housing Cooperation, in consultation with GHURA.

16 **Section 2. Pilot Housing First Program – Establishment and**
17 **Administration.**

18 The Guam Housing Corporation *shall* establish a pilot program that utilizes
19 the “Housing First” model accessible to all homeless individuals on Guam and that
20 strictly adheres to the model’s principles. The Guam Housing Corporation is
21 authorized to consult with the Guam Housing and Urban Renewal Authority in the
22 establishment of the pilot Housing First program.

23 **Section 3.** A new § 127115 is *added* to Chapter 127, Title 11, Guam Code
24 Annotated, to read as follows:

25 **“§ 127115. Unclaimed Property.**

26 (a) Definitions. As used in this Section, unless the context otherwise
27 requires:

1 (1) *Apparent owner* means the person who appears from the
2 records of the holder to be entitled to property held by the holder.

3 (2) *Banking organization* means any national or state bank,
4 trust company, banking company, land bank, savings bank, safe-deposit
5 company, private banker, or any similar organization.

6 (3) *Business association* means any private corporation, joint
7 stock company, business trust, partnership, or any association for
8 business purposes of two (2) or more individuals, whether or not for
9 profit, including, but not by way of limitation, a banking organization,
10 financial organization, life insurance corporation, and utility.

11 (4) *Holder* means any person in possession of property subject
12 to this Section belonging to another, or who is trustee in case of a trust,
13 or is indebted to another on an obligation subject to this Section.

14 (5) *Owner* means a depositor in case of a deposit, a
15 beneficiary in case of a trust, or creditor, claimant, or payee in case of
16 other choices in action, or any person having a legal or equitable interest
17 in property subject to this Section, or his or her legal representative.

18 (6) *Person* means any individual, business association,
19 government or governmental subdivision or agency, two (2) or more
20 persons having a joint or common interest, or any other legal or
21 commercial entity, whether that person is acting in his or her own right
22 or in a representative or fiduciary capacity.

23 (b) Any dividend, profit, distribution, interest, payment on principal,
24 or other sum held or owing by a business association for or to its shareholder,
25 certificate holder, member, bondholder, or other security holder, or a
26 participating patron of a cooperative, where there has been no owner-
27 generated activity on the account or property or written communication from

1 the owner of the property, within three (3) years after the date prescribed for
2 payment or delivery, *shall* transfer to the Treasurer of Guam.

3 (c) Any intangible interest in a business association, as evidenced by
4 the stock records or membership records of the association, *shall* transfer to
5 the Treasurer of Guam if:

6 (1) the interest in the association is owned by a person who
7 for more than three (3) years has neither claimed a dividend or other
8 sum referred to in Subsection (b) nor corresponded in writing with the
9 association or otherwise indicated an interest as evidenced by a
10 memorandum or other record on file with the association; and

11 (2) the association does not know the location of the owner at
12 the end of the three (3)-year period. With respect to the interest, the
13 business association *shall* be deemed the holder.

14 (d) Any dividends or other distributions held for or owing to a person
15 at the time the stock or other security to which they attach *shall* transfer to the
16 Treasurer of Guam and *shall* escheat to the Treasurer of Guam at the same
17 time.

18 (e) If the business association has in its records an address for the
19 apparent owner, which the business association's records do not disclose to
20 be inaccurate, with respect to any interest that may transfer pursuant to
21 Subsection (b), the business association *shall* make reasonable efforts to
22 notify the owner by mail or, if the owner has consented to electronic notice,
23 electronically, that the owner's interest in the business association will
24 transfer and escheat to the Treasurer of Guam. The notice *shall* be given not
25 less than six (6) or more than twelve (12) months before the time the interest
26 in the business association becomes reportable to the Department of
27 Administration in accordance with this Section. The notice required by this

1 Section *shall* specify the time that the interest will transfer and escheat, and
2 the effects of transfer and escheat, including the necessity for filing a claim
3 for the return of the interest. The notice required by this Section *shall*:

4 (1) specify that since the date of last activity, or for the last
5 three (3) years, there has been no owner activity on the deposit, account,
6 shares, or other interest;

7 (2) identify the deposit, account, shares, or other interest by
8 number or identifier, which need not exceed four (4) digits;

9 (3) indicate that the deposit, account, shares, or other interest
10 is in danger of transferring and escheating to the Treasurer of Guam;
11 and

12 (4) specify that the Unclaimed Property Law requires business
13 associations to transfer funds of a deposit, account, shares, or other
14 interest if it has been inactive for three (3) years. It shall also include a
15 form, as prescribed by the Department of Administration, by which the
16 owner may confirm the owner's current address. If that form is filled
17 out, signed by the owner, and returned to the holder, it *shall* be deemed
18 that the business association knows the location of the owner. In lieu
19 of returning the form, the business association may provide a telephone
20 number or other electronic means to enable the owner to contact the
21 association. With that contact, as evidenced by a memorandum or other
22 record on file with the business association, the business association
23 *shall* be deemed to know the location of the owner. The business
24 association may impose a service charge on the deposit, account,
25 shares, or other interest for this notice and form in an amount not to
26 exceed the administrative cost of mailing or electronically sending the
27 notice and form, and in no case to exceed Two Dollars (\$2.00).

1 (f) In addition to the notice required pursuant to Subsection (e), the
2 holder may give additional notice at any time between the dates of last activity
3 by, or communication with, the owner and the date the holder transfers the
4 deposit, shares, or other interest to the Treasurer of Guam.

5 (g) All funds transferred to the Treasurer of Guam pursuant to the
6 provisions of this Section *shall* escheat to the government of Guam one (1)
7 year subsequent to the date such transfers occurred.

8 (h) The Treasurer of Guam, upon receiving sums of money pursuant
9 to this Section, *shall* furnish the transferring association with a receipt for such
10 sums transferred, and sums of money *shall* be deposited in the Housing Trust
11 Fund established in Article 10 of Chapter 4, Title 12, Guam Code Annotated.
12 Such funds *shall* be used in accordance with the provisions of the Guam
13 Housing Corporation's establishment of a pilot Housing First program."

14 **Section 4.** A new § 127116 is *added* to Chapter 127, Title 11, Guam Code
15 Annotated, to read as follows:

16 **"§ 127116. Unclaimed Property Held in Fiduciary Capacity.**

17 (a) Definitions. For the purpose of this Section, terms as defined in
18 § 127115 of this Chapter *shall* apply to this Section.

19 (b) All tangible and intangible personal property held in a fiduciary
20 capacity for the benefit of another person, including tangible_personal
21 property subject to § 127115 of this Chapter, all intangible personal property
22 maintained in a deposit or account, and the income or increment on such
23 tangible or intangible property, *shall* transfer to the Treasurer of Guam if, for
24 more than three (3) years after it becomes payable or distributable, the owner
25 has not done any of the following:

- 26 (1) increased or decreased the principal;
27 (2) accepted payment of principal or income;

1 (3) corresponded in writing concerning the property; or

2 (4) otherwise indicated an interest in the property as
3 evidenced by a memorandum or other record on file with the fiduciary.

4 (c) Notwithstanding Subsection (b), tangible or intangible property,
5 and the income or increment on the tangible or intangible property, held in a
6 fiduciary capacity for another person, *shall not* transfer to the Treasurer of
7 Guam if the following are satisfied:

8 (1) During the previous three (3) years, the fiduciary took one
9 (1) of the following actions:

10 (A) held another deposit or account for the benefit of the
11 same owner;

12 (B) maintained a deposit or account on behalf of the
13 same owner in an individual retirement account; or

14 (C) held funds or other property for the same owner
15 under a retirement plan for a self-employed individual, or similar
16 account or plan, established pursuant to the internal revenue laws
17 of the United States or the laws of Guam.

18 (2) During the previous three (3) years, the owner has done
19 any of the acts described in Subsections (b)(1), (b)(2), (b)(3), or (b)(4)
20 with respect to the deposit, account, or plan described in Subsection
21 (c)(1), and the fiduciary has communicated electronically or in writing
22 with the owner at the address to which communications regarding that
23 deposit, account, or plan are regularly sent, with regard to the deposit,
24 account, or plan that would otherwise transfer under this Section.
25 “Communications,” for purposes of this Section, includes account
26 statements or statements required under the internal revenue laws of the
27 United States.

1 (d) Funds in an individual retirement account or a retirement plan for
2 self-employed individuals or similar account or plan established pursuant to
3 the internal revenue laws of the United States or Guam are not payable or
4 distributable within the meaning of Subsection (b) unless either of the
5 following is true:

6 (1) under the terms of the account or plan, distribution of all
7 or part of the funds would then be mandatory; or

8 (2) for an account or plan not subject to mandatory
9 distribution requirement under the internal revenue laws of the United
10 States or Guam, the owner has attained seventy and a half (70½) years
11 of age.

12 (e) For the purpose of this Section, when a person holds property as
13 an agent for a business association, he or she is deemed to hold the property
14 in a fiduciary capacity for the business association alone, unless the agreement
15 between him or her and the business association clearly provides the contrary.
16 For the purposes of this Section, if a person holds property in a fiduciary
17 capacity for a business association alone, he or she is the holder of the property
18 only insofar as the interest of the business association in the property is
19 concerned and the association is deemed to be the holder of the property
20 insofar as the interest of any other person in the property is concerned.

21 (f) All funds transferred to the Treasurer of Guam pursuant to the
22 provisions of this Section *shall* escheat to the government of Guam one (1)
23 year subsequent to the date such transfers occurred.

24 (g) The Treasurer of Guam, upon receiving sums of money pursuant
25 to this Section, *shall* furnish the transferring association with a receipt for such
26 sums transferred, and sums of money *shall* be used in accordance with the

1 provisions of the pilot Housing First program developed by the Guam
2 Housing Corporation.”

3 **Section 5.** A new § 41003(b) is *added* to Article 10, Chapter 4, Title 12,
4 Guam Code Annotated, to read as follows:

5 “(b) Authorized Program #2 – the Pilot Housing First Program
6 established by the Guam Housing Corporation pursuant to §§ 127115(h) and
7 127116(g) of Chapter 127, Title 11 GCA.”

8 **Section 6. Sunset Provision.** The pilot Housing First program *shall* come
9 to an end twelve (12) months after the date of its implementation. A detailed
10 evaluation report, which addresses the effectiveness and the socioeconomic impact
11 of said pilot program *shall* be provided by the Guam Housing Corporation to *I*
12 *Liheslaturan Guåhan* by the twelfth (12th) month of the duration of the pilot
13 program to determine if new legislation should be passed authorizing a continuing
14 appropriation.

15 **Section 7. Severability.** If any provision of this Act or its application to
16 any person or circumstance is held invalid, the invalidity *shall not* affect other
17 provisions or applications of this Act that can be given effect without the invalid
18 provision or application and to this end the provisions of this Act are severable.