

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
161-35 (COR)	Sabina Flores Perez	AN ACT TO AMEND § 51205 OF CHAPTER 51 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO RESTRICTING THE RELEASE OF LIGHTER-THAN-AIR BALLOONS.	6/7/19 1:03 p.m.	6/21/19	Committee on Environment, Revenue and Taxation, and Procurement			6/24/19 Request: 6/21/19	

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I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÁHAN
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June 24, 2019

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chairperson, Committee on Rules

Re: Fiscal Notes

Buenas yan Háfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 129-35 (COR)

Bill No. 140-35 (COR)

Bill No. 161-35 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this matter.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 161-35 (COR)**

AN ACT TO AMEND § 51205 OF CHAPTER 51 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO RESTRICTING THE RELEASE OF LIGHTER-THAN-AIR BALLOONS.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Environmental Protection Agency	Dept./Agency Head: Walter S. Leon Guerrero, Administrator
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Specify) appropriation(s) to date: Air Pollution Control Fund - \$230,673, Guam Environmental Trust Fund - \$409,266, Pesticide Management Fund - \$133,038, Water Protection Fund - \$61,844, Water Research and Development Fund - \$67,811.	902,633
Total Department/Agency Appropriation(s) to date:	\$902,633

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2018 Unreserved Fund Balance		\$0	\$0
FY 2019 Adopted Revenues	\$0	\$0	\$0
FY 2019 Appro. (P.L. 34-116 thru)	\$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 2019 (if applicable)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / X / Yes // 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? \$ _____ // N/A
- Does the Bill establish a new program/agency? // Yes / X / No
If yes, will the program duplicate existing programs/agencies? // N/A // Yes / X / 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: // Yes / X / No
// Requested agency comments not received by due date / X / Other: Time constraints

Analyst: <u>Gerard Paredes</u> Gerard Paredes, BMA I	Date: <u>6-21-19</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>JUN 24 2019</u>
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Footnotes:
1/ See attached comments for potential revenue impact.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 161-35 (COR)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Litter Control Revolving Fund	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>
Guam Beautification Fund	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>	<u>\$11,200</u>
Total	<u>\$22,400</u>	<u>\$22,400</u>	<u>\$22,400</u>	<u>\$22,400</u>	<u>\$22,400</u>

Comments:

The fiscal impact upon enactment of this bill would be in the approximate amount of \$22,400 per year. This revenue amount is estimated at 52 violations at \$200 minimum fine and 12 violations at \$1,000 maximum fine. Per § 51204, Chapter 51 Title 10 of the GCA, 50% of all assessments, fines, bail forfeitures and other funds collected or received pursuant to this Article shall be deposited in the Litter Control Revolving Fund and 50% shall be deposited in the Guam Beautification Fund as provided in 21 GCA § 7 7114.1.

Comment on Legislative Bill No. 161-35 (COR)

Legislative Bill No. 161-35 (COR) seeks to amend § 51205 of Chapter 51 of Title 10, Guam Code Annotated, relative to restricting the release of lighter-than-air balloons into the atmosphere. The proposed legislation seeks to protect the environment, particularly wildlife and marine animals from this form of littering which poses both a danger and a nuisance.

The Bureau recognizes that under § 51207 of Chapter 51 of Title 10, Guam Code Annotated covering Solid Waste Management and Litter Control, there is a provision for penalties related to littering punishable by a fine of not less than Two Hundred Dollars (\$200.00), nor more than One Thousand Dollars (\$1,000.00). In addition, any person convicted of any litter offense may also be required by the Court to pay the cost of removing the litter they caused. The Superior Court of Guam shall transfer all money collected to pay fines imposed under this Section to the Guam Environmental Protection Agency for use in the Litter and Defacement Control Revolving Fund established by § 51204 of Title 10 of the Guam Code Annotated.

Per § 51204, Chapter 51 of Title 10, Guam Code Annotated, 50% of all assessments, fines, bail forfeitures and other funds collected or received pursuant to this Article shall be deposited in the Litter Control Revolving Fund and 50% shall be deposited in the Guam Beautification Fund as provided in 21 GCA § 7 7114.1

A sample scenario is provided below in quantifying the potential revenue from penalties:

Violations per Year 1/	Amount of Penalty per Violation	Amount of Penalty
52	\$200	\$10,400
12	\$1,000	\$12,000
	Total	\$22,400

1/ Assumes 1 violation per week at minimum penalty and 1 per month at maximum penalty.

There are other factors that need to be considered with regards to this bill. On the economic side, businesses engaged in selling lighter-than-air balloons may suffer a loss in sales as the public would be wary to purchase them for fear of releasing them into the atmosphere by accident in violation thereof. Consequently, revenues from GRT and income tax would be impacted and the question of cost vis-a-vis benefit needs to be weighed.

Moreover, more study needs to be made in terms of the aspect of enforcement. It seems that unless authorities can clearly identify the source from where these balloons were released, identifying violators can be a daunting task. And needless to say, a social impact is a consequence, as well, as this would dampen the mood for the festivities that are regularly celebrated on island.

With the absence of relevant data to connect the business taxes collected from businesses engaged in lighter-than-air balloons with the penalties provision and other considerations, the Bureau is unable to determine the 'net financial impact' at this time.