

*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
85-35 (COR)	Sabina Flores Perez Tina Rose Muña Barnes Régine Biscoe Lee	AN ACT TO ADD A NEW § 1102.04 TO CHAPTER 1, DIVISION 4, TITLE 2, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO INCENTIVIZING THE PROCUREMENT OF ZERO EMISSIONS VEHICLES BY THE GOVERNMENT OF GUAM.	4/12/19 9:38 a.m.					Fiscal Note: 4/30/19	

Senator Amanda L. Shelton,  
Vice Chairperson

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telen Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), Ph.D.,  
Member

Senator Sabina Flores Perez  
Member

Senator Clynton E. Ridgell  
Member



**COMMITTEE ON RULES**  
**SENATOR RÉGINE BISCOE LEE, CHAIR**  
*I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

April 30, 2019

Senator Joe S. San Agustin,  
Member

Senator Jose T. Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and  
Chair, Subcommittee on Protocol

# MEMO

**To:** Rennae Meno  
Clerk of the Legislature

**From:** Senator Régine Biscoe Lee  
Chairperson, Committee on Rules

**Re:** Fiscal Note

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*Buenas yan Håfa adai.*

Attached, please find the fiscal note for the following bill:

**Bill No. 85-35 (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 important matter.



**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 85-35 (COR)**

AN ACT TO ADD A NEW § 1102.04 TO CHAPTER 1, DIVISION 4, TITLE 2, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO INCENTIVIZING THE PROCUREMENT OF ZERO EMISSIONS VEHICLES BY THE GOVERNMENT OF GUAM.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Administration (DOA)	Dept./Agency Head: Edward M. Birn, Director
Department's General Fund (GF) appropriation(s) to date:	\$32,363,358
Department's Other Fund appropriation(s) to date: Indirect Cost Fund - \$971,134; Limited Gaming Fund - \$82,879; Tourist Attraction Fund - \$222,700; Territorial Educational Facilities Fund - \$10,113,927; Streetlight Fund - \$4,357,090; and the Guam Highway Fund - (\$809,013)	14,938,717
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$47,302,075</b>
Dept./Agency Affected: Department of Public Works (DPW)	Dept./Agency Head: Vince P. Arriola, Acting Director
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund appropriation(s) to date: Guam Highway Fund - \$11,974,624 and the Territorial Educational Facilities Fund - \$7,287,254	19,261,878
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$19,261,878</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	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 34-162)	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

- |   |            |                               |                            |
|---|------------|-------------------------------|----------------------------|
| 1. Does the bill contain "revenue generating" provisions?<br>If Yes, see attachment   |            | / / Yes                       | /X/ No                     |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?<br>If no, what is the additional amount required?   | /X/ N/A    | / / Yes                       | / / No                     |
| 3. Does the Bill establish a new program/agency?<br>If yes, will the program duplicate existing programs/agencies?<br>Is there a federal mandate to establish the program/agency? | /X/ N/A    | / / Yes<br>/ / Yes<br>/ / Yes | /X/ No<br>/ / No<br>/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?<br>/X/ Requested agency comments not received by due date   | GSA<br>DPW | /X/ Yes                       | / / No                     |

Analyst: <u>Raymond Rieta, BMA I</u>	Date: <u>4/21/19</u>	Director: <u>Lester L. Carlson, Jr., Director</u>	Date: <u>APR 30 2019</u>
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Notes:  
1/: See attached Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 85-35 (COR)**

Bill No. 85-35 seeks to add an additional requirement to the Guam Administrative Rules and Regulations (G.A.R.R.) specific to vehicle procurements. If enacted, there may be a negative fiscal impact of a 10% increase in costs to the Government of Guam for procuring zero emission vehicles, also referred to as electric vehicles (EV), as opposed to internal combustion engine (ICE) vehicles based on information stated within the legislation. However, according to a 2018 University of Michigan Transportation Institute study, the average cost to operate an EV in the United States is \$485 per year compared to the average for an ICE vehicle at \$1,117 per year, depending upon the gas and electric rates where the vehicle is operated. Additionally, there are universal vehicle expenses for both types of vehicles such as tire and brake changes, insurance, and structural repairs, but EVs avoid the many costs associated with ICE vehicles such as changing engine oil, coolant, transmission fluid, and belts. Furthermore, certain areas within the US offer federal and state incentives such as rebates to offset the typically higher cost of an EV to make "going electric" more financially feasible.<sup>2/</sup> However, Bill No. 85-35 does not address specific rebates available to the Government of Guam.

According to the General Services Agency (GSA), which has provided a copy of its comments to the Chairperson of the Committee on Environment, Revenue and Taxation, and Procurement recommends various technical changes on the legislation. Absent the comments and information from DPW, a more detailed fiscal impact of this legislation cannot be determined at this time.

<sup>2/</sup> <https://www.energysage.com/electric-vehicles/costs-and-benefits-evs/evs-vs-fossil-fuel-vehicles/>