

I Mina'Trentai Dos Na Liheslaturan Received
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
393-32 (COR)	Judith T. Won Pat, Ed.D. T. R. Muña Barnes A. A. Yamashita, Ph.D. B. J. F. Cruz , R. J. Respicio, FRANK B. AGUON, JR	AN ACT TO ADD A NEW §80109(V) TO CHAPTER 80 OF DIVISION 4 OF TITLE 10 GUAM CODE ANNOTATED; RELATIVE TO EXPANDING THE BORROWING AUTHORITY OF THE GUAM MEMORIAL HOSPITAL FOR THE RENOVATION OF THE LABOR AND DELIVERY WARD.	08/26/14 12:25 p.m.	08/27/14	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and			



COMMITTEE ON RULES

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MAJORITY LEADER

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August 27, 2014

MEMORANDUM

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

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio** 
Chairperson of the Committee on Rules

Subject: **Referral of Bill No. 393-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 393-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 393 -32 (COR)

Introduced by:

J. T. Won Pat, Ed.D. 

Tina R. Muna Barnes 

A. A. Yamashita, Ph.D. 

B. J. F. Cruz 

R. J. Respicion 

F. B. Aguon, Jr. 

**AN ACT TO ADD A NEW §80109(v) TO CHAPTER 80 OF
DIVISION 4 OF TITLE 10 GUAM CODE ANNOTATED;
RELATIVE TO EXPANDING THE BORROWING
AUTHORITY OF THE GUAM MEMORIAL HOSPITAL FOR
THE RENOVATION OF THE LABOR AND DELIVERY
WARD.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. A new §80109 (v) of Chapter 80, Division 4 of Title 10, Guam Code Annotated is hereby *added* to read:

“(w) Notwithstanding subsection (s) of this section, arrange a line of credit, a revolving loan fund, and/or a direct loan, the total cumulative amount not to exceed Four Million Dollars (\$4,000,000) with banks or other lending institutions licensed to do business on Guam. All terms of the line of credit, a revolving loan fund, and/or a direct loan agreement shall be negotiated by the Authority and I *Maga’lahen Guåhan* [Governor] in the best interests of the people of Guam. The terms of the line of credit, a revolving loan fund, and/or a direct loan shall include the following:

(1) the line of credit, a revolving loan fund, and/or a direct loan shall be used by the Authority for the renovation of the Guam Memorial Hospital Labor and Delivery Ward;

(2) no charge shall be levied by a lender for making the loan;

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1 (3) the interest rate shall be subject to negotiation between the Authority or
2 designee as authorized by the Board of Trustees, *I Maga'lahaen Guåhan* and the
3 lender; such interest rate shall be computed on a monthly average and based on the
4 actual amount extended to the Authority; and

5 (4) interest earned by the lender shall be exempt from taxation by the
6 government of Guam.

7 (5) The line of credit, a revolving loan fund, municipal lease financing,
8 and/or a direct loan may be secured by a pledge or other reservation of revenues
9 collected by the government of Guam from the taxes collected under the "Business
10 Privilege Tax Law" (namely, 11 GCA Chapter 25, excluding the alcoholic
11 beverage taxes, liquid fuel taxes, automotive surcharges, tobacco taxes and real
12 property taxes) The Business Privilege Tax pledged or reserved shall only apply to
13 the unpledged portion of the business privilege tax (currently one percentage point
14 of the current four percent Business Privilege Tax rate) so as not to violate the
15 government's covenants to bondholders of the Series A, Series B and Series C
16 Limited Obligation bonds authorized through Public Law 31-76, Public Law 31-
17 196 and Public Law 31-276. The sum of Six Hundred Thousand Dollars
18 (\$600,000) will be used for the as security for line of credit, a revolving loan fund,
19 and/or a direct loan. *I Maga'lahaen Guåhan* and the Authority are hereby authorized
20 to execute the loan agreement, a revolving loan fund, and/or a direct loan
21 agreement and other necessary documentation.

22 (6) Any money borrowed shall be repaid in accordance with the terms
23 established in the negotiated agreement, but not to exceed an amortization period
24 of more than ten (10) years. In no case shall any amount borrowed be refinanced
25 permitting repayment more than ten (10) years after the loan is made.

26 (7) Notwithstanding the provisions of Chapter 6 of Title 5 of the Guam Code
27 Annotated, the government of Guam hereby waives immunity from any suit or

1 action in contract upon the loan and guaranty but does not waive sovereign
2 immunity as to the personal liability of elected or appointed officials and
3 employees of the government Guam. For the purpose of this provision only,
4 immunity is also waived as to the award of attorney fees and related costs in
5 connection with any suit brought to enforce any right or obligation incurred under
6 the loan authorized hereby or in connection with the enforcement of any
7 agreement, note or pledge that arises directly from the indebtedness authorized
8 hereby.

9 (8) This Guarantee is a general obligation of the government of Guam,
10 subject to the full faith and credit of the government of Guam. The Guarantor
11 consents to any and all extension of time and waiver or modification of obligations
12 guaranteed hereunder.

13 (9) Alternative Financing. *I Maga'lahaen Guåhan* and the Authority are
14 authorized to utilize the following alternative financing if necessary:

15 (a) Federal Guaranteed Loan or Community Facilities Loan and Grants,
16 instrumentalities of the United States Department of Agriculture, if such financing
17 better serves the needs of the People of Guam; and/or

18 (b) Municipal Lease Financing. The Guam Economic Development
19 Authority is authorized to enter into a municipal lease financing as defined under
20 Guam Code annotated Title 5, Division 5, Chapters 58, 58A, 58B, 58D and 58E