
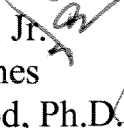














I MINA'TRENTAITRES NA LIHESLATURAN GUÁHAN
2016 (SECOND) Regular Session

Bill No. ²⁸⁹-33 (LS)

Introduced by:

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AN ACT TO AMEND SUBSECTION (v) TO § 80109 OF CHAPTER 80 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZE I MAGA'LAHEN GUAHAN TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVER WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT).

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

2 Subsection (v) is amended to §80109 of Chapter 80, Title 10, Guam Code
3 Annotated to read as follows:

4 “(v) Notwithstanding Subsection (s) of this Section, to arrange a line of credit, a
5 revolving loan fund, and/or a direct loan, the ~~total cumulative~~ amount not to exceed

1 ~~Seven Million Dollars (\$7,000,000)~~ Nine Million, Two Hundred Thousand Dollars
2 (\$9,200,000), to finance Guam Memorial Hospital Authority Labor and Delivery
3 Ward renovation Phases One through Four, and to include “Arts In Public
4 Buildings and Facilities” fee as required by §852 of Chapter 8, Title 1, Guam
5 Code Annotated, with banks or other lending institutions licensed to do business on
6 Guam. All terms of the line of credit, a revolving loan fund, and/or a direct loan
7 agreement shall be negotiated by the Guam Economic Development Authority and
8 I Maga’lahen Guåhan (the Governor) in the best interests of the people of Guam.
9 The terms of the line of credit, a revolving loan fund, and/or a direct loan shall
10 include the following:

11 (1) the line of credit, a revolving loan fund, and/or a direct loan shall be used
12 by the Authority for the renovation of the Guam Memorial Hospital
13 Labor and Delivery Ward (GMHA Maternal and Child Healthcare
14 (MCH) Renovation Project);

15 (A) such line of credit shall not be authorized, nor shall any borrowing
16 be initiated that incurs interest expenses until the architectural and
17 engineering specifications are completed and approved by the
18 Board of Trustees of the Guam Memorial Hospital Authority
19 (GMHA), and the Request for Proposal or Invitation for Bid to
20 commence renovation is pending funding;

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

22 (3) the interest rate shall be subject to negotiation between the Board of
23 Directors of GEDA, I Maga’lahen Guåhan, and the lender; and such
24 interest rate shall be computed on a monthly average and based on the
25 actual amount extended for the Authority; and

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

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

20 (6) Any money borrowed shall be repaid in accordance with the terms
21 established in the negotiated agreement, but not to exceed an
22 amortization period of more than twenty-five (25) years. ~~In no case shall~~
23 ~~any amount borrowed be refinanced permitting repayment more than~~
24 ~~twenty (20) years after the loan is made.~~

25 (7) Notwithstanding the provisions of Chapter 6 of Title 5 of the Guam Code
26 Annotated, the government of Guam hereby waives immunity from any
27 suit or action in contract upon the loan and guaranty, but does not waive

1 sovereign immunity as to the personal liability of elected or appointed
2 officials and employees of the government of Guam. For the purpose of
3 this provision only, immunity is also waived as to the award of attorney
4 fees and related costs in connection with any suit brought to enforce any
5 right or obligation incurred under the loan authorized hereby or in
6 connection with the enforcement of any agreement, note or pledge that
7 arises directly from the indebtedness authorized hereby.

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

12 (9) Alternative Financing. I Maga'lahaen Guåhan and the Guam Economic
13 Development Authority are authorized to utilize the following alternative
14 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
17 financing better serves the needs of the people of Guam; and/or

18 (B) Municipal Lease Financing. I Maga'lahaen Guåhan, with the
19 assistance of the Guam Economic Development Authority, is authorized
20 to enter into a municipal lease financing as defined under Title 5, Guam
21 Code Annotated, Division 5, Chapters 58, 58A, 58B, 58D and 58E.

22 (C) I Maga'lahaen Guåhan is authorized to identify a fund source, except
23 for funding sources that are already identified and earmarked for the
24 Guam Memorial Hospital Authority, limited to the amounts in this Act,
25 and utilize such source for the purposes of renovating the labor, delivery,
26 recovery, postpartum ward where our babies are born. I Maga'lahaen shall
27 notify I Liheslatura (the Legislature) of the fund source(s) identified

1 pursuant to this provision no later than ten (10) working days after
2 identification of funds.

3 (10) The GMHA Board of Trustees shall cause an update of its facilities
4 master plan that will guide the capital improvement of the Guam
5 Memorial Hospital. The Trustees shall allocate sufficient funds from the
6 amount obtained from the line of credit, revolving fund, and/or direct
7 loan authorized by this Subsection for the purpose of completing a master
8 plan update. Review and approval of the completed master plan update
9 shall be in accordance with the AAL. Said master plan update shall be
10 completed within one hundred eighty (180) days from the date of
11 enactment of this statute.

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