

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

Bill No. 338 -33 (*LS*)

Introduced by:

Committee on Rules, Federal, Foreign and
Micronesia Affairs, Human and Natural
Resources, Election Reform and Capitol District
By request of *I Maga'lahaen Guahan*,
the Governor of Guam, in accordance with the
Organic Act of Guam.

“AN ACT TO (1) ADD §80125 TO CHAPTER 80, DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF GOVERNMENT OF GUAM LIMITED OBLIGATION (SECTION 30) BONDS TO (A) REFINANCE ALL OR A PORTION OF GOVERNMENT OF GUAM LIMITED OBLIGATION (SECTION 30) BONDS, SERIES 2009A, (B) FINANCE THE RENOVATION AND/OR NEW CONSTRUCTION OF CERTAIN GUAM MEMORIAL HOSPITAL FACILITIES, (C) FINANCE CERTAIN WORKING CAPITAL COSTS OF GUAM MEMORIAL HOSPITAL, INCLUDING, BUT NOT LIMITED TO, REFINANCING OF THE OUTSTANDING LOAN OF THE BANK OF GUAM TO THE GUAM MEMORIAL HOSPITAL, AND/OR (D) REFINANCE ALL OR A PORTION OF THE GOVERNMENT’S OBLIGATIONS WITH RESPECT TO THE SERIES 2013A AND SERIES 2013B GUAM EDUCATION FINANCING FOUNDATION II, INC. CERTIFICATES OF PARTICIPATION (OKKODO HIGH SCHOOL EXPANSION PROJECT), (2) AMEND §80109(a) TO CHAPTER 80, DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO THE FEES FOR SERVICES OF THE GUAM MEMORIAL HOSPITAL AUTHORITY (THE “AUTHORITY”), (3) AMEND §80109(e) TO CHAPTER 80, DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO LONG-TERM LEASE OF THE AUTHORITY’S SKILLED NURSING UNIT, AND (4) ADD OR AMEND VARIOUS PROVISIONS OF GUAM CODE ANNOTATED TO

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PROVIDE FOR ADDITIONAL REVENUE ENHANCEMENTS TO THE AUTHORITY, AND APPLY SUCH REVENUE ENHANCEMENTS FOR THE BENEFIT OF THE AUTHORITY AS WELL AS TO FUND AN EMPLOYEES HEALTH INSURANCE FUND, AND RELATED MATTERS. THIS ACT SHALL BE CITED AND REFERRED TO AS THE "HEALTH CARE AND INSURANCE INDUSTRIES INVESTMENT ACT."

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent:** *I Liheslaturan Guåhan* finds that
2 under current market conditions, all or a portion of the outstanding Government of Guam
3 Limited Obligation (Section 30) Bonds, Series 2009A (the "2009A Bonds") can be
4 refunded with Government of Guam Limited Obligation (Section 30) Bonds, with
5 significant savings for the General Fund.

6 *I Liheslaturan Guåhan* finds that major transformative initiatives are necessary in
7 order for the Guam Memorial Hospital Authority (GMHA) to fully meet its public mandate
8 of providing medical care to the people of Guam, regardless of their ability to pay, and to
9 be financially self-sustaining. *I Liheslaturan Guåhan* further finds that these
10 transformative initiatives require capital in order to establish GMHA as a Center of
11 Excellence as well as provide Greater Access to Health and Medical care for the people of
12 Guam.

13 *I Liheslaturan Guåhan* finds that until such time an integrated system of care and
14 coverage is in place and that GMHA is financially self-sustaining through its revenue base
15 that additional predictable sources of funding specifically for GMHA is necessary. These
16 external revenue generation strategies are referenced herein. *I Liheslaturan Guåhan* finds
17 that these transformation initiatives are rooted in the hospital's strategic focus to shift from
18 an acute long-term stay model to a financially solvent outpatient model.

1 It is the intent of *I Liheslaturan Guåhan* to authorize a measure that would assist in
2 facilitating the financial sustainability and flexibility of the Government of Guam by
3 taking advantage of present favorable market conditions. Further, it is the intent of *I*
4 *Liheslaturan Guåhan* to authorize one or more series of Government of Guam Limited
5 Obligation (Section 30) Bonds to finance such facilities, including but not limited to, Z
6 wing demolition and replacement, certain IT improvements, as well as related fixtures,
7 furnishings and equipment for GMHA, as well as to finance certain working capital costs,
8 including vendor and other payables

9 *I Liheslaturan Guåhan* further finds that, for decades, Guam’s only public hospital
10 has been unable to generate sufficient revenue to support its operations. This is due, in
11 large part, to policies and other mandates beyond its control. Notwithstanding, GMHA has
12 made major strides in cost avoidance, reduction and cutting; establishing internal revenue
13 enhancement strategies; and generating external revenue generating options for the
14 legislature’s consideration and approval. One such option is the need for an integrated
15 system of care and coverage.

16 *I Liheslaturan Guåhan* intends on working with the administration and GMHA to
17 ensure that the extremely high number of Guam residents who are either uninsured or
18 underinsured, have equal access to health and medical care and that an integrated system of
19 managed care is created and sustained beginning with a funding measure which will create
20 a pool to support employers who are currently unable to provide health insurance to their
21 employees access to this funding source to offset the cost of insurance. By doing so we
22 begin the process of providing equal access to healthcare and wellness programs that
23 would improve the quality of life for Guam’s residents and ensure that Guam’s health care

1 industry as an economic generator is safeguarded. Increasing the number of residents who
2 have health insurance would move Guam residents from “self-pay” to “insured,” thereby
3 providing GMHA and other health care providers with more certainty of payment for
4 services rendered.

5 In addition, there have been heightened concerns over the condition of other
6 existing facilities of GMHA as well as the potential funding sources for the renovation or
7 construction of new facilities for GMHA. GMHA has to date incurred vendor payables of
8 approximately \$30 million.

9 *I Liheslaturan Guåhan* further finds that GMHA, Guam’s only public hospital, has
10 been unable to generate sufficient revenue to support its operations and that this situation
11 has been an ongoing concern for a number of years despite the best efforts of *I Liheslaturan*
12 *Guåhan* and the current Administration which has infused millions of dollars into GMHA
13 in recent years. This financial challenge also prevents GMHA from obtaining much
14 needed new technology and diagnostic equipment along with undertaking capital
15 improvements to the facility.

16 It is therefore the intent of *I Liheslaturan Guåhan* to provide for additional sources
17 of funding specifically for GMHA to address the needs stated above by authorizing one or
18 more of the following revenue enhancements referenced below.

19 **Section 2. § 80125 of Chapter 80, Division 4 of Title 10, Guam Code**
20 **Annotated.** § 80125 of Chapter 80, Division 4 of Title 10, Guam Code Annotated is
21 hereby *added* as follows:

22 (a) **Authorization of One or More Series of Limited Obligation (Section 30)**
23 **Bonds.** *I Liheslaturan Guåhan*, pursuant to §50103(k) of Title 12 of the Guam Code

1 Annotated, hereby authorizes *I Maga'lahaen Guåhan* to issue one or more additional series
2 of tax-exempt and/or taxable Limited Obligation (Section 30) Bonds of the Government of
3 Guam, as provided in this Section, in an aggregate principal amount *not to exceed* Four
4 Hundred Twenty-Five Million Dollars (\$425,000,000) for one or more of the following
5 purposes: (1) to finance Z wing demolition and replacement, certain IT system
6 improvements, and any related fixture, furnishing and equipment costs, as well as such
7 other capital improvements that may from time to time be approved by the Board of
8 Trustees (the "Board") of GMHA, (2) to capitalize interest on the Limited Obligation
9 (Section 30) Bonds, (3) to refund all or a portion of the 2009A Bonds, (4) to finance certain
10 working capital costs of GMHA[, including financing reserves for such costs,] and the
11 refinancing of the outstanding loan of the Bank of Guam to GMHA, currently outstanding
12 in the approximate principal amount of \$20.1 million, (5) to refinance all or a portion of the
13 Government's obligations with respect to the Series 2013A and Series 2013B Guam
14 Education Financing Foundation II, Inc. Certificates of Participation (Okkodo High School
15 Expansion Project) (the "2013 Certificates"), and (6) to pay expenses relating to the
16 authorization, sale and issuance of the bonds, including without limitation, printing costs,
17 costs of reproducing documents, credit enhancement fees, underwriting, legal, feasibility,
18 financial advisory and accounting fees and charges, fees paid to banks or other financial
19 institutions providing credit enhancement, costs of credit ratings and other costs, charges
20 and fees in connection with the issuance, sale and delivery of the bonds, subject to the
21 following additional conditions:

22 (1) The terms and conditions of the bonds shall be as
23 determined by *I Maga'lahaen Guåhan* by the execution of a

1 certificate or indenture authorizing the issuance of the bonds, prior
2 to the issuance of the bonds and shall be issued under the master
3 indenture pursuant to which the 2009A Bonds were issued
4 (including any amendments thereto) or under a new master
5 indenture; provided, however, that such terms and conditions shall
6 be consistent with this Section, that the bonds shall mature not later
7 than thirty-one (31) years after their date of issuance, shall bear
8 interest at such rates and be sold for such price or prices as shall
9 result in a yield to the bondholders that does not exceed six percent
10 (6%) per annum; [the maturity of the 2009A Bonds refunded may be
11 extended through the issuance of the refunding bonds]; and that the
12 combined present value of debt service on the bonds issued to
13 refund the 2009A Bonds, the above-referenced Bank of Guam loan
14 and the 2013 Certificates shall be at least two percent (2%) less than
15 the present value of debt service on the bonds and loan being
16 refunded or refinanced, inclusive of all fees for bond counsel and
17 bond underwriters and other costs of issuance.

18 (2) The proceeds from such bonds shall be used and are
19 hereby appropriated (i) to finance Z wing demolition and
20 replacement, certain IT system improvements, and any related
21 fixture, furnishing and equipment costs, as well as such other capital
22 improvements that may from time to time be approved by the Board
23 of GMHA; (ii) to capitalize interest on such bonds, (iii) to refund all

1 or a portion of the 2009A Bonds and the 2013 Certificates, (iv) to
2 finance certain working capital costs of GMHA, including
3 financing reserves for such costs, and the refinancing of the
4 outstanding loan of the Bank of Guam to the GMHA, currently
5 outstanding in the approximate principal amount of \$20.1 million,
6 and (v) to pay expenses relating to the authorization, sale and
7 issuance of the bonds including, without limitation, printing costs,
8 costs of reproducing documents, credit enhancement fees,
9 underwriting, legal, feasibility, financial advisory and accounting
10 fees and charges, fees paid to banks or other financial institutions
11 providing credit enhancement, costs of credit ratings and other
12 costs, charges and fees in connection with the issuance, sale and
13 delivery of the bonds.

14 (3) No bonds authorized by this Section shall be sold
15 until the Board of Directors of Guam Economic Development
16 Authority has approved the sale by resolution.

17 The issuance of bonds pursuant to this Section shall not be subject to the approval
18 of the voters of Guam.

19 All bonds issued pursuant to this Section shall be secured by a statutory lien on all
20 revenues derived by the government of Guam under Section 30 of the Organic Act
21 (“Section 30 revenues”). This lien shall arise automatically without the need for any action
22 or authorization by *I Maga’lahen Guåhan*, the government of Guam, or any other person or
23 entity. Such lien shall be valid and binding from the time such bonds are issued. The

1 Section 30 revenues shall immediately be subject to such lien, and the lien shall
2 automatically attach to the Section 30 revenues and be effective, binding, and enforceable
3 against *I Maga'lahaen Guåhan*, the government of Guam, their successors, assignees, and
4 creditors, and all others asserting the rights therein, irrespective of whether those parties
5 have notice of the lien and without the need for any physical delivery, recordation, filing,
6 or further act. Section 30 revenues that are not required to make payments on the bonds
7 shall automatically, and without the need for any further action, be released from such lien
8 and shall be available for appropriation for any other lawful purpose of the government.
9 The statutory lien described in this paragraph shall not be subject to Division 9 of Title 13
10 of the Guam Code Annotated or any successor statute. The Section 30 revenues received
11 by the government of Guam or by any trustee, depository or custodian shall be deposited in
12 accordance with the provisions of the applicable indenture.

13 In addition to the statutory lien provided for above, all or any part of the Section 30
14 revenues may be pledged, if and to the extent determined by *I Maga'lahaen Guåhan*, to
15 secure the payment of any bonds issued pursuant to this subsection (a). Any such pledge
16 shall be valid and binding against all parties in accordance with its terms and have priority
17 against all parties in accordance with its terms from the time the pledge is made, and
18 property so pledged shall immediately be subject to the lien of the pledge without the need
19 for physical delivery, recordation, filing, or other further act. The pledge shall not be
20 subject to Division 9 of Title 13 of the Guam Code Annotated or any successor statute. The
21 indenture by which such pledge is created need not be recorded. All Section 30 revenue so
22 pledged is hereby appropriated for the purpose for which it has been pledged. Indebtedness
23 issued by the government pursuant to this Article and that is payable from Section 30

1 revenue may not be issued in an amount that would cause a violation of the debt limitation
2 provisions of Section 11 of the Organic Act.

3 (b) Commencing with the Fiscal Year ending September 30, 2017 and
4 continuing to the Fiscal Year ending September 30, 2035, the Guam Solid Waste Authority
5 (“GSWA”) is hereby directed to deposit or cause to be deposited in the General Fund of the
6 Government the amounts as specified below, which amounts represent reimbursements to
7 the Government for a percentage of debt service of the Bonds referenced in subsection (a)
8 above applied to refund the 2009A Bonds.

| | |
|------------|--------------|
| 09/30/2017 | \$11,978,000 |
| 09/30/2018 | \$11,979,888 |
| 09/30/2019 | \$11,978,459 |
| 09/30/2020 | \$11,980,017 |
| 09/30/2021 | \$11,980,697 |
| 09/30/2022 | \$11,980,031 |
| 09/30/2023 | \$11,978,375 |
| 09/30/2024 | \$11,978,629 |
| 09/30/2025 | \$11,979,763 |
| 09/30/2026 | \$11,980,017 |
| 09/30/2027 | \$11,977,472 |
| 09/30/2028 | \$11,978,356 |
| 09/30/2029 | \$11,977,449 |
| 09/30/2030 | \$11,980,888 |
| 09/30/2031 | \$11,977,461 |
| 09/30/2032 | \$11,980,174 |
| 09/30/2033 | \$11,980,939 |
| 09/30/2034 | \$11,977,996 |
| 09/30/2035 | \$11,980,724 |

9

10 Such reimbursements shall be made from revenues of the solid waste management
11 system, now or hereafter existing, owned and/or operated by GSWA or a successor (the
12 “System”) upon the terms and conditions set forth in the indenture pursuant to which the
13 bonds referenced in subsection (a) are issued.

14 Such terms may include, but are not limited to, a term that provides that the
15 obligation of GSWA to reimburse the Government may in the future be subordinated to

1 facilitate the issuance of bonds by GSWA or a successor for financing relating to the
2 System.

3 (c) As an alternative to the issuance of bonds referenced in subsection (a)
4 above, GMHA is hereby authorized to obtain alternative financing in the form of a lease,
5 loan or other financing from the United States Department of Agriculture (USDA) to
6 finance Z wing demolition and replacement, certain IT system improvements, and any
7 related fixture, furnishing and equipment costs, as well as such other capital improvements
8 that may from time to time be approved by the Board of GMHA. *I Liheslaturan Guåhan*,
9 pursuant to § 50103(k), Title 12 Guam Code Annotated, hereby approves such USDA loan,
10 lease or other financing; provided, however, that such loan, lease or other financing shall
11 bear interest at a rate that does not exceed four percent (4.0%) annum and shall be at a term
12 and principal amount of financing as determined by GEDA in consultation with USDA.

13 **Section 3. Revisions of Guam Memorial Hospital Fees for Care and**
14 **Services.**

15 § 80109(a) of Chapter 80, Division 4 of Title 10, Guam Code Annotated is hereby
16 amended as follows:

17 (a) Maintain and operate a facility providing acute, chronic and all other
18 health care services, including those services specifically provided by contract for
19 the Department of Mental Health and Substance Abuse, for the people of Guam.

20 (b) ~~(1)~~ Establish a schedule of fees, in accordance with Title 10
21 GCA § 80105, to be charged for care and services at or by GMHA, which
22 shall, at a minimum, be charged at the Medicare rate for GMHA's services
23 and supplies. The schedule of fees shall be sufficient to recover the

1 operating costs and fixed costs and to generate such revenue as is necessary
2 to enable the Hospital to meet its financial obligations, operating expenses
3 and capital improvement needs. The Guam Public Utilities Commission
4 shall not have any purview over the Authority rates. ~~The rates established~~
5 ~~per fee schedule may be increased by the Board of Trustees up to five~~
6 ~~percent (5%) per year; provided, that the total revenues from all increases~~
7 ~~per fee schedule shall not exceed five percent (5%) of the total revenues~~
8 ~~adopted by the Board in the Authority's budget for that fiscal year, or~~
9 ~~decreased as necessary.~~

10 (2) ~~Fees for new services, medications, or supplies, or rate increases~~
11 ~~of more than five percent (5%) annually shall be established by the~~
12 ~~Authority, approved and ratified by the Board of Trustees and forwarded to~~
13 ~~I Liheslaturan Guåhan for approval. Prior to the approval and ratification~~
14 ~~by the Board of Trustees, public hearings must be conducted by the~~
15 ~~Authority for any new fee or rate increase of more than five percent (5%).~~

16 (3) ~~I Liheslaturan Guåhan shall have forty five (45) days from the~~
17 ~~receipt of the proposed new fee or rate increase to conduct a public hearing~~
18 ~~and approve the increase or new fee. If I Liheslaturan Guåhan does not~~
19 ~~disapprove or amend the proposed new fee or increase in rates within the~~
20 ~~forty five (45) days, the new fee or rate increase will immediately become~~
21 ~~effective.~~

22 **Section 4. Long-Term Lease of Skilled Nursing Unit.**

1 § 80109(e) of Chapter 80, Division 4 of Title 10, Guam Code Annotated is hereby
2 amended as follows:

3 (e) Acquire, subject to the laws of Guam, by grant, purchase, gift, devise or
4 lease, and hold and use any real property necessary or convenient or useful for the
5 carrying on of any of its powers pursuant to the provisions of this Article; upon
6 written certification of the Administrator, that specified and specialized medical
7 equipment and related supplies are needed immediately for the health and welfare
8 of the patients of the Hospital in particular, and the people of Guam in general,
9 GMHA shall be exempt from the provisions of §§ 5210 and 5211 of Title 5, Guam
10 Code Annotated, in the acquisition of the medical equipment and related supplies
11 specified in such written certification of the Administrator; provided, that the
12 Hospital shall use its best judgment and efforts to secure the best equipment and
13 supplies at the lowest cost and in the best financial interests of the Hospital,
14 utilizing businesses licensed to do business on Guam whenever possible.

15 (1) The Hospital is hereby expressly authorized to lease, on a
16 long-term basis, its Skilled Nursing Facility upon terms approved by the
17 Board. Revenues received by the Hospital from such long-term lease of the
18 Skilled Nursing Facility shall be applied to fund an insurance pool (the
19 “Employees Health Insurance Fund”), which pool shall be applied to
20 provide financing to private businesses on Guam that do not currently
21 provide health insurance to their employees.

22 **Section 5. Additional Revenue Enhancements for Guam Memorial**
23 **Hospital and the Employees Health Insurance Fund.**

1 *I Liheslaturan Guåhan* hereby authorizes one or more of the following legislative
2 amendments for the purpose of providing revenue enhancements to GMHA, as well as to
3 fund a new Employees Health Insurance Fund. The Department of Administration *shall*
4 develop the Rules and Regulations for the Employees Health Insurance Fund subject to the
5 Administrative Adjudication Act. None of the following revenue enhancements shall be
6 pledged to or otherwise secure any bonds or indebtedness issued by the government of
7 Guam or any other entity.

8 (a) **Increase on the excise tax charged on the occupancy of hotel and**
9 **similar lodging house facilities.** A new Section 30101(a)(3) of Chapter 30, Title 11,
10 Guam Code Annotated is hereby added as follows:

11 “§ 30101 Imposition.

12 (a) Notwithstanding any existing statute, an excise tax is hereby levied and
13 imposed which shall be assessed and collected monthly, against transient occupants
14 of a room or rooms in a hotel, lodging house, and bed and breakfast, or similar
15 facility located in Guam according to the following schedule:

16 (1) From September 1, 1993 through March 31, 1995, the rate shall be ten
17 percent (10%) of the rental price charged or paid per occupancy per day;

18 (2) From April 1, 1995 and thereafter the rate shall be eleven percent (11%) of
19 the rental price charged or paid per occupancy per day.

20 (3) From July 1, 2016 and thereafter the rate shall be fifteen percent (15%) of
21 the rental price charged or paid per occupancy per day. Proceeds from the four percent
22 increase from eleven percent (11%) to fifteen percent (15%) shall be deposited into either

1 (1) a Special Fund set up by the Department of Administration exclusively for the use by
2 GMHA to support its operational needs, or (2) the Employees Health Insurance Fund.”

3 (b) **Increase in Business Privilege Tax.** Section 26202(a) of Chapter 26, Title
4 11, Guam Code Annotated is hereby amended as follows:

5 § 26202. Rates.

6 The following rates shall apply in computing, assessing and collecting the business
7 privilege tax:

8 (a) Tax on the business of selling tangible personal property. Upon every
9 person engaging or continuing within Guam in the business of selling any tangible property
10 whatsoever (not including however, bonds or other evidence of indebtedness or stocks),
11 there shall be a tax equivalent to ~~four percent (4%)~~ five percent (5%) of gross proceeds of
12 sales; except that on the gross proceeds of the operation of poker machines, there shall be a
13 tax equivalent to eight percent (8%) on the gross proceeds of each machine, as determined
14 by subtracting the winnings, pay-outs and malfunction refunds from total receipts of the
15 machine. All proceeds derived from the increase in the tax specified above from the rate of
16 four percent (4%) to five percent (5%) shall be deposited into either: (1) a Special Fund set
17 up by the Department of Administration exclusively for the use by GMHA to support its
18 operational needs, or (2) the Employees Health Insurance Fund.”

19 (c) **Implementation of a wholesale surcharge on any business’s gross**
20 **receipts.** A new Chapter 53 to Title 11, Guam Code Annotated is hereby added as follows:

21 § 53101.

22 (a) Notwithstanding any existing statute, a wholesale surcharge is hereby
23 levied and imposed at the rate of one-half percent (0.5%) of any business’s gross receipts

1 collections. All proceeds derived from the provisions of this section shall be deposited into
2 either: (1) a Special Fund set up by the Department of Administration exclusively for the
3 use by GMHA to support its operational needs, or (2) the Employees Health Insurance
4 Fund.

5 (d) **Increase in Real Property Tax.**

6 (1) Section 24103 of Chapter 24, Title 11, Guam Code Annotated is hereby
7 *amended* as follows:

8 “§ 24103. Levy.

9 (a) There is hereby levied on all land property in Guam a yearly tax at the rate
10 of seven-eightieths percent (7/80%) of the value thereof and seven-twentieths percent
11 (7/20%) of the value of the improvements thereon. Such tax shall be assessed and
12 collected in the manner prescribed in this Chapter. All proceeds derived by the
13 government under any provision of this Chapter shall be deposited in the General Fund.

14 (2) A new Section 24103(b) is hereby added to Chapter 24, Title 11, Guam
15 Code Annotated as follows:

16 (b) An additional yearly tax shall be levied on all land property in Guam at the
17 rate of one-twenty-thirds percent (1/23%) of the value thereof and seven-fortieths percent
18 (7/40%) of the value of the improvements thereon. Such tax shall be assessed and
19 collected in the manner prescribed in this Chapter. All proceeds derived from the
20 provisions of this section shall be deposited into either (1) a Special Fund set up by the
21 Department of Administration exclusively for the use by GMHA to support its operational
22 needs, or (2) the Employees Health Insurance Fund.

1 (e) **Authorization of a Subscriber Fee to be Assessed to**
2 **Telecommunications Companies for Use of Public Roads and Rights-of-Ways.** A new
3 Section 12206(g) is hereby added to Article 2, Chapter 12, Title 12, Guam Code Annotated
4 as follows:

5 “(g) Notwithstanding any existing statute, a subscriber fee is hereby assessed on
6 every telecommunications company utilizing the public roads and rights-of-ways. This
7 new fee shall be assessed beginning July 1, 2016. All proceeds derived from the provisions
8 of this section shall be deposited into either (1) a Special Fund set up by the Department of
9 Administration exclusively for the use by GMHA to support its operational needs, or
10 (2) the Employees Health Insurance Fund.”

11 (f) **Authorization of an Automated Traffic Ticketing System** A new
12 Chapter 28, Section 28101 is hereby added to Title 16, Guam Code Annotated as follows:

13 **Section 28101.** “An Automated Traffic Light Ticketing System is hereby
14 established by the [Department of Public Works]. Such system will be installed at
15 streetlights [throughout Guam] and will be designed to identify traffic speeding
16 infractions, assign appropriate fees, prepare billing for mailing, and to reconcile on the
17 backend for payments made. Payments shall be made online. The [Department of Public
18 Works] shall enter into public-private partnership(s) with vendor(s) who shall acquire,
19 manage and maintain the system.]

20 All proceeds derived from [net] revenues collected relating to the system shall be
21 deposited into either: (1) a Special Fund set up by the Department of Administration

1 exclusively for the use by GMHA to support its operational needs, or (2) the Employees
2 Health Insurance Fund.”

3 (g) **Authorization of Revenues from the Sale of Medicinal Marijuana.** A
4 new Section 1222508 is hereby added to Article 25, Chapter 12, Title 10, Guam Code
5 Annotated as follows:

6 Notwithstanding any other provision of law to the contrary, any proceeds through
7 the issuance of licenses for the sale of medical marijuana shall be deposited into either (1) a
8 Special Fund set up by the Department of Administration exclusively for the use by
9 GMHA to support its operational needs, or (2) the Employees Health Insurance Fund.

10 **Section 6. Severability.** If a provision of this act or its application to any
11 person or circumstance is held invalid, the invalidity does not affect other provisions or
12 applications of the act that can be given effect without the invalid provision or application,
13 and to this end the provisions of this act are severable.