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I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN

THIRTY-THIRD GUAM LEGISLATURE

155 Hesler Place, Hagåtña, Guam 96910

October 28, 2015

The Honorable Edward J.B. Calvo
I Maga'låhen Guåhan
Ufisinan I Maga'låhi
Hagåtña, Guam

Dear *Maga'låhi* Calvo:

Transmitted herewith are Bill Nos. 26-33 (COR), 134-33 (COR), 144-33 (COR), 145-33 (COR), 146-33 (COR), 164-33 (LS), 166-33 (LS), 169-33 (COR), 171-33 (COR), 174-33 (COR) and 176-33 (LS); and Substitute Bill Nos. 29-33 (COR), 76-33 (COR), 91-33 (LS), 137-33 (COR), 152-33 (COR), 175-33 (COR) and 181-33 (COR), which were passed by *I Mina'Trentai Tres Na Liheslaturan Guåhan* on October 27, 2015.

Sincerely,


TINA ROSE MUÑA BARNES
Legislative Secretary

Enclosure (18)

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CENTRAL FILES


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I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LÅHEN GUÅHAN

This is to certify that Substitute Bill No. 175-33 (COR), "AN ACT TO ADD NEW §§ 75122, 75123, 75124 AND 75107(g) TO CHAPTER 75 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO THE DESIGNATION OF AVAILABLE CHAMORRO LAND TRUST COMMISSION (CLTC) LAND FOR COMMERCIAL USE; TO LEASE AGREEMENT STIPULATIONS FOR THE COMMERCIAL LEASING OF AVAILABLE CLTC LAND; TO ALLOWING THE SUBLEASE OR ASSIGNMENT OF COMMERCIAL LEASES; TO MANDATE REPORTS; AND TO ESTABLISH THE CHAMORRO LAND TRUST SURVEY AND INFRASTRUCTURE FUND AND TO PRIORITIZE THE USE OF LEASE PROCEEDS FOR THE SURVEY AND REGISTRATION, AND THE CONSTRUCTION OF INFRASTRUCTURE ON CLTC RESIDENTIAL AND AGRICULTURAL PROPERTIES," was on the 27th day of October 2015, duly and regularly passed.



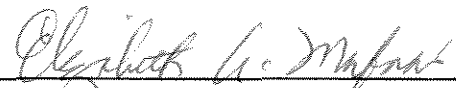
Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 28th day of October, 2015, at 4:00 o'clock P.M.



Assistant Staff Officer
Maga'låhi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'låhen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI TRES NA LIHESLATURAN GUÁHAN
2015 (FIRST) Regular Session

Bill No. 175-33 (COR)

As substituted by the Sponsor;
further substituted on the Floor;
and amended on the Floor.

Introduced by:

T. C. Ada
R. J. Respicio
V. Anthony Ada
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
James V. Espaldon
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Dennis G. Rodriguez, Jr.
Michael F.Q. San Nicolas
Mary Camacho Torres
N. B. Underwood, Ph.D.
Judith T. Won Pat, Ed.D.

AN ACT TO ADD NEW §§ 75122, 75123, 75124 AND 75107(g) TO CHAPTER 75 OF TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO THE DESIGNATION OF AVAILABLE CHAMORRO LAND TRUST COMMISSION (CLTC) LAND FOR COMMERCIAL USE; TO LEASE AGREEMENT STIPULATIONS FOR THE COMMERCIAL LEASING OF AVAILABLE CLTC LAND; TO ALLOWING THE SUBLEASE OR ASSIGNMENT OF COMMERCIAL LEASES; TO MANDATE REPORTS; AND TO ESTABLISH THE CHAMORRO LAND TRUST SURVEY AND INFRASTRUCTURE FUND AND TO PRIORITIZE THE USE OF LEASE PROCEEDS FOR THE SURVEY AND REGISTRATION, AND THE CONSTRUCTION OF INFRASTRUCTURE ON CLTC RESIDENTIAL AND AGRICULTURAL PROPERTIES.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that there exists a backlog of approximately eight thousand (8,000) applications for
4 Chamorro Land Trust Commission (CLTC) residential and agricultural lands. A
5 majority of the applications were filed since the onset of the program on December
6 2, 1995. The backlog is attributed primarily to the reason that much of the CLTC
7 lands have not been surveyed and registered pursuant to § 75105(f) of Chapter 75,
8 Title 21, Guam Code Annotated.

9 *I Liheslaturan Guåhan* further finds that the CLTC does not have the funds
10 necessary to procure land-surveying services or to hire the manpower and
11 equipment needed for the Commission to perform these surveys. *I Liheslaturan*
12 *Guåhan* also finds that the CLTC properties do not have in place the water
13 infrastructure necessary to support a decent standard of living, or to support
14 productive agricultural activities; and the wastewater infrastructure necessary to
15 protect the northern Guam aquifer.

16 *I Liheslaturan Guåhan* asserts that the CLTC can generate revenue by
17 leasing or licensing for commercial use certain properties in its land inventory. The
18 adoption of rules and regulations pursuant to § 75107(f) of Chapter 75, Title 21,
19 Guam Code Annotated, is a prerequisite that, to date, has not been accomplished.

20 *I Liheslaturan Guåhan* intends to facilitate the leasing of selected CLTC
21 properties for commercial activities in order to begin generating the revenues
22 needed to accomplish land surveys and registration, and to provide infrastructure to
23 residential and agricultural CLTC land tracts.

24 **Section 2.** A new § 75122 is hereby *added* to Chapter 75 of Title 21,
25 Guam Code Annotated, to read:

26 “§ 75122. **Commercial Leases and Licenses.**

27 (a) **Definitions.**

1 (1) *Commercial lease* is a leasehold interest in real property
2 between the CLTC and a tenant (hereinafter referred to as
3 “Commercial Lessee”) for the commercial use of real property under
4 the management of the CLTC.

5 (2) *Commercial license* is an agreement between a tenant
6 (hereinafter referred to as the “Commercial Licensee”) and the CLTC
7 which permits certain activity to be conducted upon real property in
8 the inventory of the CLTC, but does not confer upon the licensee any
9 title or leasehold interest, and is terminable upon cessation of the
10 approved activity. Pursuant to § 75107(c) of Chapter 75, Title 21
11 GCA, the Commission is authorized to grant licenses for terms not to
12 exceed twenty-one (21) years in each case, to:

13 (A) public utility companies, or corporations as
14 telephone lines, electric power and light lines, gas mains, and
15 the like; or

16 (B) for lots within a village in which lands are leased
17 under the provisions § 75107(a) of Chapter 75, Title 21 GCA,
18 to:

19 (i) churches, hospitals, public schools, post
20 offices, and other improvements for public purposes; or

21 (ii) theaters, garages, service stations, markets,
22 stores, and other mercantile establishments (all of which
23 *shall* be owned by the § 75107(a) lessees of the
24 Commission or by organizations formed and controlled
25 by said lessees).

26 (3) *Commercial use* means commercial agriculture,
27 commercial aquaculture, and any permitted use or a conditional use

1 expressly allowed on an “A,” “R1,” “R2,” “C,” “P,” “S-1,” or “PF”
2 zoned property pursuant to §§ 61304, 61305, 61306, 61307,61308,
3 61312 and 61313 of Article 3, Chapter 61 of Title 21 GCA.
4 Commercial use includes mineral extraction when specifically
5 approved by the CLTC and *I Liheslaturan Guåhan* (the Guam
6 Legislature). The appropriate regulatory clearances will be required
7 for all commercial uses of CLTC lands.

8 (4) *Tenant* means an applicant who has been approved for
9 either a commercial lease or license, and can also be referred to as a
10 “Commercial Lessee or Commercial Licensee” in this Act.

11 **(b) Designation of Available Land for Commercial Use.**

12 (1) Notwithstanding § 75107(f) of Chapter 75 of Title 21,
13 Guam Code Annotated, and Section 6.9 of Exhibit A of Public Law
14 23-38, the CLTC may declare and designate that certain lands, not to
15 exceed nine percent (9%) of the total remaining unassigned Chamorro
16 Land Trust Commission land area inventory, “are not required for §
17 75107 leases to native Chamorros for residential, subsistence
18 agriculture, or subsistence aquaculture, and are available for
19 commercial leasing or licensing to the general public pursuant to §
20 75105(d) of Chapter 75, Title 21 GCA.” Said declaration *shall* be in
21 the form of a Board Resolution approved by the Commissioners at a
22 duly scheduled meeting of the CLTC held after a CLTC public
23 hearing on the specific lot and area of land to be designated. The
24 approved CLTC resolution *shall* be transmitted to *I Liheslaturan*
25 *Guåhan* within thirty (30) days from the date of passage of the
26 resolution.

1 (2) *I Liheslaturan Guåhan* shall have sixty (60) days to
2 review the Resolution declaring the list of available lots identified in
3 this Subsection, and may conduct public hearings on said lot list
4 during this sixty (60)-day period.

5 (3) The lots identified in this Subsection may be leased or
6 licensed by the CLTC to the general public pursuant to § 75105(d) of
7 Chapter 75 of Title 21, Guam Code Annotated, for commercial use
8 and for a term not to exceed twenty-five (25) years; or licensed
9 pursuant to § 75107(c) of Chapter 75, Title 21, Guam Code
10 Annotated, for a term not to exceed twenty-one (21) years, unless
11 otherwise approved by *I Liheslaturan Guåhan* for a longer term.

12 (4) The CLTC *shall not* initiate any solicitations for
13 commercial leasing or licensing until at least sixty (60) days have
14 elapsed from the date *I Liheslaturan Guåhan* received the transmittal
15 of the CLTC Resolution and list in accordance with this Section.

16 (5) Notwithstanding § 75105(b) of Chapter 75 of Title 21,
17 Guam Code Annotated, all income arising out of any lease or license
18 of those properties declared in this Subsection *shall* be credited to and
19 deposited in the *Chamorro Land Trust Survey and Infrastructure*
20 *Fund* until 2020, and to the Chamorro Home Loan Fund thereafter.

21 (6) Any solicitation for interest or proposals, prior to the
22 enactment of this Act, for commercial activity on CLTC land with the
23 intent of entering into a commercial lease *shall* be null and void.

24 (c) **Lease Agreement Stipulations.** The execution of commercial
25 lease agreements or licenses of the available properties identified pursuant to
26 this Section *shall* be subject, at a minimum, to the following stipulations:

1 (1) **Notice of Land Designated to be Available for**
2 **Commercial Use.** Solicitation for the leasing or licensing of land
3 designated as available for commercial use *shall* be published at least
4 thirty (30) days prior to the deadline for submittal of proposals from
5 prospective lessees or licensees. Notice *shall* be posted on the
6 websites of the CLTC and the Department of Land Management
7 (DLM) continuously, and through any methods of electronic
8 publication capable of providing notice to the general public, and at
9 least once in a newspaper of general circulation.

10 (2) **Award of Lease through Competitive Bid.** The lease
11 or license for the commercial use of CLTC land designated as
12 available for commercial activity *shall* be awarded through a
13 competitive bid process to entities determined to be responsible and
14 responsive, as defined in Guam's procurement law, to the
15 requirements stipulated by the CLTC. However, in the event that a
16 designated available land has an existing commercial activity by
17 virtue of a previous authorization, this Act *shall not* be interpreted to
18 invalidate existing commercial leases or licenses where lessee or
19 licensee has not defaulted during the entire term of the lease or
20 license, and lessee or licensee has complied with the laws of Guam.
21 At the expiration of a lease or license, and all options to renew that
22 lease or license, the CLTC *shall* reconsider its designation as available
23 land and comply with all other provisions of this Act.

24 (3) **Unsolicited Proposals.** The CLTC may also accept
25 unsolicited proposals for the development and commercialization of
26 CLTC land designated as available for commercial use, but must
27 subsequently place such proposals to competitive solicitation.

1 (4) **Posting of Awards.** Awards of leases and licenses *shall*
2 be posted, within five (5) working days from the date of award, on the
3 CLTC and DLM websites for the term of the lease.

4 (5) **Minimum Annual Rent.** Annual rent *shall be no less*
5 *than* ten percent (10%) of the current appraisal of fair market value of
6 the land that is to be leased. Rent *shall* escalate at a minimum of five
7 (5) year intervals based at a minimum upon current appraisal of fair
8 market value of the land being leased, but in no event shall rent be
9 lower than the rent charged during the previous five (5) year period.
10 The rent to be charged on any request to exercise an option to renew
11 an existing lease *shall* also be based on the current appraisal of the fair
12 market value of the land at the time the option to renew is exercised.

13 (6) **Participation Rent.**

14 (A) Definition. The tenant pays to the CLTC a
15 mutually agreed upon percentage of the revenues generated
16 above a mutually agreed upon revenue threshold.

17 (B) Applicability. Participation rent *shall* be applicable
18 from the fifth (5th) anniversary date to the last day of the lease.
19 The annual participation rent *shall* be made in four (4) equal
20 quarterly installments.

21 (7) **Advance Rental Payment.** CLTC may require
22 accelerated or advanced rental payments as a condition of the lease.

23 (8) **Rent Amendments and Payment Schedules.** Tenants
24 may submit written requests for temporary reductions in rent. Tenants
25 *shall* submit audited financial statements covering the previous three
26 (3) year period as supporting documents. CLTC *shall* consider the
27 current financial position of the tenant and the prospect for

1 improvements in the tenant's financial position, market conditions, the
2 benefit to the Trust in temporarily reducing the rent, and such other
3 information as may be required in considering tenant's request for rent
4 reductions. Any rent reductions authorized by CLTC *shall not* exceed
5 one (1) year but may, upon written application by the tenant, be
6 extended by the Commission if such extension would be beneficial for
7 the Trust. As temporary rent reductions are intended to assist tenants
8 over a short period of time, tenants must agree in writing that such
9 temporary reductions shall in no way affect the annual amounts due or
10 the schedule of rent escalations for future option terms identified in
11 the lease agreement. Requests for rent reductions *shall* be subject to
12 Commission approval. The CLTC *shall not* allow the exercise of
13 options for additional terms unless all past due rent is paid. All
14 amendments of rent and payment schedules *shall* be fully
15 documented.

16 (9) **Payment Plans.** Requests to develop a payment plan for
17 back rent *shall* be submitted in writing with the reasons for the
18 request. In addition, tenants *shall* submit a copy of its audited
19 financial statements covering the previous three (3) year period.
20 Payment plans must include a provision for payment of interest on the
21 unpaid balance. In addition, payment plans must contain the
22 requirement that late fees using the industry standard be paid, in the
23 event the lessee *does not* make payments as scheduled, and if the
24 lessee is *not* deemed to be in breach of the lease. Financial
25 institutions must be provided with copies of approved payment plans
26 if estoppel, mortgage or other such agreements require such
27 notification. To the extent possible, payment plans for outstanding

1 rent must be paid off within the fiscal year to avoid budgetary
2 problems within CLTC.

3 (10) **Taxes and Assessments.** Tenants *shall* pay all taxes and
4 assessments lawfully levied against the leased premises and against
5 any business conducted thereon or in connection therewith. Tenant
6 *shall* also pay all charges for utility services furnished or provided to
7 the leased premises.

8 (11) **Interest for Late Payment.** All rent in arrears *shall* bear
9 interest at a rate of four percent (4%) per annum in excess of the
10 prime rate, calculated daily and compounded monthly, without
11 demand, from the date it should have been paid to CLTC, until actual
12 payment to CLTC.

13 (12) **Environmental Site Assessment (ESA).** Prospective
14 tenants *shall* be required to prepare at their own expense, a Phase I
15 Environmental Site Assessment (ESA) of the leased property to serve
16 as a baseline of conditions at the site prior to the start of the lease. The
17 comprehensiveness of the assessment *shall* be determined by CLTC in
18 collaboration with the Guam Environmental Protection Agency. The
19 Phase I ESA *shall* be referenced in any lease or license agreement for
20 the property. Prior to the issuance of any agreement, tenants or
21 prospective tenants must conduct a Phase I ESA of the site at tenant's
22 expense.

23 (13) **Condition of Land After Use Period.** At the end of the
24 lease or license period, or upon termination, tenant *shall* restore the
25 land to baseline levels established at the start of their lease or license,
26 or better/higher environmental levels agreed upon in the lease or
27 license, and *shall* bear all expenses relating to such restoration and

1 Phase I and Phase II evaluations. However, in the case where mineral
2 extraction or the extraction of natural resources at the site was
3 authorized initially in the lease or license agreement, the site *shall* be
4 returned to the CLTC in the better/higher environmental end-state that
5 was agreed upon at the beginning of the lease or license. CLTC *shall*
6 require that a performance bond be provided to ensure that the
7 property is returned in an acceptable end-state, but that said bond *shall*
8 *not* relieve the lessee of the responsibility of returning the land to the
9 required baseline state.

10 (14) **Tenant Requirements.** All lease and license agreements
11 *shall* require tenants and subtenants to have business liability
12 insurance that indemnifies and holds CLTC harmless, and *shall*
13 require the tenant to respond to CLTC requests for information on a
14 timely basis.

15 (15) **Improvements to CLTC Property.** All lease and
16 license agreements *shall* require that any improvements made to or
17 upon the real property *shall* belong in title to the CLTC upon
18 termination or expiration of the lease or license, and that any removal
19 required by the CLTC of improvements or items remaining on the
20 property *shall* be the responsibility of the tenant at no cost to the
21 CLTC.

22 (16) **Processing Fees.** Tenants *shall* pay for those expenses
23 associated with the processing of leases, amendments, assignments,
24 estoppels, consents or other such documents, including, but not
25 limited to, attorneys' fees, appraisal fees, title report fees, survey fees,
26 credit report fees, recording fees, and documentation fees, but *not*

1 including CLTC staff time. Payment of fees *shall* be made prior to
2 document recordation or pick up.

3 (17) **Business License.** Applicants must be licensed to do
4 business in Guam prior to the execution of a lease or license, and all
5 tenants must maintain a valid license to do business in Guam during
6 the term of their lease or license.

7 (18) **Compliance with Environmental Laws.** All activities
8 on leased or licensed available real property *shall* be in compliance
9 and maintained in accordance with existing environmental laws.
10 Failure to comply with environmental laws *shall* be a material default
11 by tenant.

12 (19) **Events of Default; Termination.** In any of the following
13 events (each an “Event of Default”):

14 (A) if rent or any part thereof shall not be paid on any
15 day when such payment is due, CLTC may, at any time
16 thereafter, give notice of such failure to the lessee, and if the
17 failure is not remedied by the lessee within five (5) days after
18 the giving of such notice; or

19 (B) if the lessee shall fail or neglect to perform or
20 comply with any of the terms, covenants or conditions
21 contained in the lease (other than the covenants to pay rent) on
22 the part of the lessee to be performed or observed, CLTC may,
23 at any time thereafter, give notice of such failure or neglect to
24 the lessee and the lessee:

25 (i) if the matter complained of in such notice is
26 capable of being remedied by the payment of money, has

1 not corrected the matter complained of within a period of
2 five (5) days after the giving of such notice; or

3 (ii) if the matter complained of in such notice is
4 not capable of being remedied by the payment of money
5 has not corrected the matter complained of within a
6 period of twenty (20) days after the giving of such notice,
7 or if a period of more than such twenty (20) days is
8 reasonably required to remedy, with reasonable
9 diligence, the matters complained of in such notice, has
10 not forthwith commenced to remedy the same and
11 diligently prosecute the remedying of the same to
12 completion;

13 (iii) if an event of insolvency shall have occurred
14 with respect to the lessee, or

15 (iv) a breach of an obligation by the lessee which
16 has resulted in cancellation of insurance coverage where
17 the lessee has not prior to or concurrent with such
18 cancellation replaced such coverage with comparable
19 coverage or breach of an obligation where there has been
20 a notice of cancellation of insurance coverage which has
21 not been cured and where the lessee has not, within the
22 period of time set out in such notice (or within ten (10)
23 days where no period is set out therein) replaced such
24 coverage with comparable coverage or which is
25 otherwise a breach of the obligations respecting
26 insurance; or

1 (v) abandonment of the project by the lessee; or
2 then the CLTC, at its option, may terminate the lease by
3 notice to the lessee, in which event such termination *shall*
4 be effective immediately upon the delivery of such notice
5 and may enter upon the property with or without process
6 of law and take possession thereof.

7 (20) **Right to Cure Defaults.** Without limiting any other
8 remedies the CLTC may have arising out of a lease or at law in
9 respect of any default in the performance of the lessee's obligations
10 under a lease, the CLTC *shall* have the right, in the case of any default
11 and without any re-entry or termination of a lease, to enter upon the
12 property and cure or attempt to cure such default (but this *shall not*
13 obligate the CLTC to cure or attempt to cure any such default or, after
14 having commenced to cure or attempt to cure such default, prevent the
15 lessor from ceasing to do so) and the lessee *shall* promptly reimburse
16 to the CLTC any expense incurred by the CLTC in so doing and the
17 same *shall* be recoverable as rent.”

18 **Section 3.** A new Subsection (g) is hereby *added* to § 75107 of Chapter
19 75, Title 21, Guam Code Annotated, to read:

20 “(g) The Chamorro Land Trust Commission may also permit
21 commercial leases to be subleased or assigned under the following
22 provisions, and if the sublease or assignment would be beneficial for the
23 Trust:

24 (1) Commercial Sublease.

25 (A) The master lessee of the commercial lease *shall* be
26 permitted to sublease rooms or space within their established
27 building structure for complementary commercial use as

1 detailed in the master lease agreement or subject to the prior
2 written approval of the CLTC.

3 (B) This provision *does not* permit the subleasing of
4 the leased land. Said commercial sublease *shall* be allowed *only*
5 with the prior written consent of CLTC, and *shall not* affect any
6 duty or obligation of the master lessee to CLTC.

7 (2) Assignment of Commercial Lease.

8 (A) A commercial lease may be assigned if the
9 provisions of the original lease, and the duties or obligations of
10 the original lessee, *do not* change. Assignment *shall not* be
11 permitted if the lease or license was executed less than five (5)
12 years prior; otherwise, the lease or license *shall* be put through
13 the competitive solicitation process.

14 (B) Said assignment of commercial lease *shall* be
15 allowed *only* with the prior written consent of CLTC.”

16 **Section 4.** A new § 75123 is hereby *added* to Chapter 75 of Title 21,
17 Guam Code Annotated, to read:

18 “§ 75123. **Annual and Monthly Reports.** (a) The Guam
19 Economic Development Authority *shall* prepare an annual report for
20 presentation to the Commission summarizing the benefits received by CLTC
21 on activities of the commercial leasing program for the fiscal year. The
22 annual report *shall* contain findings on employment, payroll, gross receipts
23 taxes paid, local purchases made, and total and annual capital investments by
24 tenants and their sub-tenants, if any. The report *shall not* contain proprietary
25 information of tenants. The report *shall* also contain a projection of revenues
26 over the next five (5)-year time period, and a discussion on outstanding
27 issues and recommendations. The report *shall* be submitted *no later than*

1 December 31 covering the previous fiscal year ending September 30. A copy
2 of the annual report *shall* be submitted to the Speaker of *I Liheslaturan*
3 *Guåhan* and *I Maga'låhen Guåhan*.

4 (b) The CLTC *shall* provide monthly reports on the revenue,
5 surveying, and infrastructure being made from the leasing or licensing of
6 CLTC lands pursuant to this Act to *I Maga'låhen Guåhan*, the Speaker of *I*
7 *Liheslaturan Guåhan*, and the Office of Public Accountability.”

8 **Section 5.** A new § 75124 is hereby *added* to Chapter 75 of Title 21,
9 Guam Code Annotated, to read:

10 “§ 75124. The Chamorro Land Trust Survey and Infrastructure
11 Fund. The Chamorro Land Trust Commission *shall* create a special fund
12 called the *Chamorro Land Trust Survey and Infrastructure Fund* (Fund),
13 which *shall* be maintained separate and apart from any other funds and *shall*
14 *not* be subject to the transfer authority of *I Maga'låhen Guåhan*.

15 (a) Notwithstanding any other provision requiring the
16 deposit of proceeds to other funds, the Fund *shall* receive:

17 (1) the proceeds of all sales of bull cart trails,
18 substandard lots, irregular lots, remnants, splinter lots,
19 fractional lots, easement purchase remnants, and easement
20 condemnation remnants belonging to the government of Guam;
21 and

22 (2) the proceeds of commercial leases or licenses
23 executed after October 2015.

24 (b) Expenditures from the Fund *shall* be made pursuant to a
25 resolution by the CLTC, and *shall* be restricted to the following
26 expenditures:

1 (1) for the subdivision, surveying, mapping and
2 registration of tracts of residential and agricultural land in the
3 CLTC property inventory; and

4 (2) for the construction of infrastructure, to include
5 access roads, water, and power utilities, to service CLTC
6 residential and agricultural tracts of land.

7 (c) The Commission *shall* report on a quarterly basis to the
8 Speaker of *I Liheslaturan Guåhan* as to the revenues collected and
9 expended from the Fund, and post the same on the website of the
10 Chamorro Land Trust Commission. The Fund *shall* be subject to audit
11 by the Guam Public Auditor.”

12 **Section 6. Affirmation of Legislative Action.** *I Liheslaturan Guåhan*
13 affirms that if the Chamorro Land Trust Commission’s proposed rules and
14 regulations submitted to the Speaker of *I Liheslaturan Guåhan* on June 3, 2015 are
15 deemed effective by any authority, then such rules and regulations are hereby
16 repealed and *shall not* be in effect.

17 **Section 7. Severability.** If any provision of this law or its application to
18 any person or circumstance is found to be invalid or contrary to law, such
19 invalidity *shall not* affect other provisions or applications of this law, that can be
20 given effect without the invalid provisions or application and to this end the
21 provisions of this law are severable.