EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

MAY 17 2016

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Tres Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Transmitted herewith is Bill No. 289-33 (LS), "**AN ACT TO *AMEND* SUBSECTION (v) OF § 80109 OF CHAPTER 80, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING *I MAGA'LÅHEN GUÅHAN* TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVERY WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT),**" which was signed into law on May 13, 2016, as **Public Law 33-151**.

Senseramente,

33-16-1648

EDDIE BAZA CALVO

Office of the Speaker
Judith T. Won Pat, Ed.D

Date: 05-18-16
Time: 10:03AM
Received By:

1648

2016 MAY 13 PM 1:50

P.O. Box 2950 • Hagatna, Guam 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • governor.guam.gov • calendar.guam.gov
Eddie Baza Calvo @eddiebazacalvo @governorcalvo governorofguam

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

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

This is to certify that **Bill No. 289-33 (LS), "AN ACT TO *AMEND* SUBSECTION (v) OF § 80109 OF CHAPTER 80, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING *I MAGA'LÅHEN GUÅHAN* TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVERY WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT),"** was on the 3rd day of May 2016, 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 3 day of May, 2016, at 5:10 o'clock P.M.

Elaine P. Gage
Assistant Staff Officer
Maga'låhi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'låhen Guåhan

Date: MAY 13 2016

Public Law No. 33-151

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

Bill No. 289-33 (LS)
As amended by the Committee on Finance and Taxation,
General Government Operations, and Youth Development;
and further amended on the Floor.

Introduced by:

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

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

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

2 **Section 1. Guam Memorial Hospital Labor and Delivery Ward**
3 **Financing.** Subsection (v) of § 80109 of Chapter 80, Title 10, Guam Code
4 Annotated, is *amended* to read as follows:

"(v) Notwithstanding Subsection (s) of this Section, to arrange a line of credit, a revolving loan fund, and/or a direct loan, the amount not to exceed Nine Million Two Hundred Thousand Dollars ($9,200,000), to finance the Guam Memorial Hospital Authority Labor and Delivery Ward renovation Phases One through Four, and to include the "Arts In Public Buildings and Facilities" fee as required by § 852 of Article 2 of Chapter 8, Title 1, Guam Code Annotated, 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 Guam Economic Development Authority and *I Maga'låhen Guåhan* (the 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 (GMHA Maternal and Child Healthcare (MCH) Renovation Project);

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

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

(3) the interest rate shall be subject to negotiation between the Board of Directors of GEDA, *I Maga'låhen Guåhan*, and the lender; and such interest rate shall be computed on a monthly average and based on the actual amount extended for the Authority; and

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

(5) The line of credit, a revolving loan fund, municipal lease financing, and/or a direct loan may be secured by a pledge or other reservation of revenues collected by the government of Guam from the taxes collected under the "Business Privilege Tax Law" (namely, 11 GCA Chapter 25, excluding the alcoholic beverage taxes, liquid fuel taxes, automotive surcharges, tobacco taxes and real property taxes). The Business Privilege Tax pledged or reserved may only be pledged or reserved on a basis that is subordinate to the pledge of revenues from the Business Privilege Tax that secure the Government's Business Privilege Tax Bonds (currently, the Business Privilege Tax Bonds, Series 2011A, 2012B-1, 2012B-2, 2013C and 2015D, as well as any future bonds (collectively, the "Business Privilege Tax Bonds")) issued under the indenture relating to the Business Privilege Tax Bonds (the "Indenture"), as well as any parity obligations permitted to be issued under such Indenture, on a basis that is in accordance with and complies with such Indenture. The sum of Six Hundred Thousand Dollars ($600,000) will be continuously appropriated annually to pay for the principal, interest, and debt reserve for the line of credit, a revolving loan fund, and/or a direct loan. *I Maga'låhen Guåhan* and the Guam Economic Development Authority are hereby authorized to execute the loan agreement, a revolving loan fund, and/or a direct loan agreement and other necessary documentation.

(6) Any money borrowed shall be repaid in accordance with the terms established in the negotiated agreement, but not to exceed an amortization period of more than twenty-five (25) years.

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

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

(9) Alternative Financing. *I Maga'låhen Guåhan* and the Guam Economic Development Authority are authorized to utilize the following alternative financing if necessary:

(A) Federal Guaranteed Loan or Community Facilities Loan and Grants, instrumentalities of the United States Department of Agriculture, if such financing better serves the needs of the people of Guam; and/or

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

(C) *I Maga'låhen Guåhan* is authorized to identify a fund source, except for funding sources that are already identified and earmarked for the Guam Memorial Hospital Authority, limited to the amounts in this Act, and utilize such source for the purposes of renovating the labor, delivery, recovery, postpartum ward where our babies are born. *I Maga'låhi* shall notify *I Liheslatura* (the Legislature) of the fund source(s) identified pursuant to this provision no later than ten (10) working days after identification of funds.

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

(11) That, if the labor and delivery ward operations or facilities are privatized, to include any public-private partnership, then, as a condition of such privatization agreement, the party or parties which have assumed control or ownership of the operations or facilities shall assume any outstanding debt and provide compensation to the Guam Memorial Hospital Authority for any incurred expenses that were financed under this Subsection."