

MINA BENTE OCHO NA LIHESLATURAN GUAHAN
2005 (FIRST) Regular Session

Bill No. 109(ec)

Introduced by:

B.J.F. Cruz 

AN ACT TO EARMARK THE PROCEEDS OF THE
SALE OF GTA TO PAY FOR CONTRIBUTIONS
OWED TO THE GOVERNMENT OF GUAM
RETIREMENT FUND BY THE DEPARTMENT OF
EDUCATION AND GUAM MEMORIAL HOSPITAL
AUTHORITY

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **Section 1. Legislative Intent.** *I Liheslaturan Guahan* finds that
3 the Department of Education and Guam Memorial Hospital
4 Authority collectively owe the Government of Guam Retirement
5 Fund millions of dollars in both employer and employee
6 contributions in behalf of employees enrolled in the Defined Benefits
7 Plan. *I Liheslaturan Guahan* further finds that the payment of this debt
8 with proceeds from the sale of the Guam Telephone Authority will
9 directly relieve the government of Guam General Fund from its
10 liability to the Government of Guam Retirement Fund Defined
11 Benefits Program. *I Liheslaturan Guahan* finds that the payment of this
12 debt will help employees from the Department of Education and the

1 Guam Memorial Hospital Authority to retire and will provide the
2 survivors of deceased employees unable to retire, with the proper
3 survivor's benefits as provided for by the Defined Benefits Program
4 and Guam law.

5 **Section 2. GTA Privatization Proceeds Earmarked To Pay For**
6 **Contributions Owed To The Government of Guam Retirement**
7 **Fund.** Paragraph (b) of Item 13 of the GTA Privatization Rules as
8 enacted in Section 2 of Public Law 26-70 is *amended* to read as follows:

9 "(b) GTA Privatization Proceeds Fund. There is created a Guam
10 Telephone Authority Privatization Proceeds Fund ("GTA
11 Privatization Proceeds Fund"). Notwithstanding any other
12 provision of law, no funds received from a bidder as cost
13 reimbursement or evaluation fee, or from the successful offeror
14 as up front payment or compensation for the purchase of GTA,
15 or otherwise received from any entity relative to the sale,
16 privatization or other disposition of the assets of GTA, shall be
17 deposited into the General Fund or any other fund other than
18 the GTA Privatization Proceeds Fund. All funds deposited in
19 the GTA Privatization Proceeds Fund shall be used to pay for
20 contributions owed by the Department of Education and Guam
21 Memorial Hospital Authority to the Government of Guam
22 Retirement Fund Defined Benefits Program. If such funds are
23 not sufficient to satisfy the entire debt owed to the Government
24 of Guam Retirement Fund by the Department of Education and
25 Guam Memorial Hospital Authority, upon receipt of the funds

1 by the Government of Guam Retirement Fund (Fund), the Fund
2 shall apply the payment equitably against the debt owed by the
3 Department of Education and Guam Memorial Hospital
4 Authority to ensure that the debt of both agencies is reduced by
5 the same percentage and not the same amount. No funds
6 therein may be expended without direct appropriation by I
7 Liheslaturan Guahan against such fund.

8 ~~Notwithstanding any other provision of law, no less than fifty~~
9 ~~percent (50%) of the funds deposited into the GTA Privatization~~
10 ~~Proceeds Fund shall be invested or reinvested by the Guam~~
11 ~~Economic and Development Authority ("GEDA") in bonds or in~~
12 ~~securities that are approved for the Retirement Fund, or~~
13 ~~according to modern investment practices of similar funds.~~
14 ~~Ninety percent (90%) of the interest earned from the investment~~
15 ~~shall be expended, subject to legislative appropriation, for~~
16 ~~infrastructure or capital improvement projects, including but~~
17 ~~not limited to schools and educational facilities. The GTA~~
18 ~~Privatization Proceeds Fund shall be subject to appropriation~~
19 ~~by I Liheslaturan Guahan, and no funds therein may be~~
20 ~~expended without direct appropriation by I Liheslaturan~~
21 ~~Guahan against such fund."~~