

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

Bill No. 201 (LS)

Introduced by:

B.J.F. Cruz 

Mike Cruz M.D. 

R. J. Respicio 

AN ACT TO AUTHORIZE A LOAN OF UP TO \$15 MILLION FOR PAYMENTS FOR MEDICARE FOR CURRENT RETIREES IN ORDER TO SECURE THEIR ELIGIBILITY FOR PART A AND PART B COVERAGE AND TO PLEDGE FOR REPAYMENT OF THE LOAN, THE FEES FOR WHOLESALERS LICENSE, RETAILERS LICENSE, MANUFACTURERS LICENSE, AND TEMPORARY COMMERCIAL LICENSES AS AUTHORIZED BY §72107 §72108, §72110, AND §72111 RESPECTIVELY OF CHAPTER 72 OF 11GCA AND SERVICE LICENSES AS AUTHORIZED IN §76101 OF CHAPTER 76 OF 11GCA .

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2       **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds  
3 that significant savings over the long term can achieved for the  
4 General Fund and for beneficiaries of government of Guam group  
5 health insurance by securing full Medicare coverage for eligible  
6 government of Guam retirees. For this reason, revenues should be  
7 pledged for the purpose of acquiring this coverage in order to reduce

1 costs over the long term for both the group health insurance  
2 beneficiaries and the taxpayers of Guam.

3       **Section 2. Authority to Borrow.** *I Maga'lahaen Guåhan*, on  
4 behalf of the government of Guam, is authorized to borrow or  
5 arrange for a line of credit *not to exceed* Fifteen Million Dollars  
6 (\$15,000,000), and to execute a financial agreement with any bank or  
7 commercial lending institution licensed on Guam, government of  
8 Guam autonomous agencies or any other instrumentality of the  
9 government of Guam. The terms of the loan or line of credit shall  
10 include the following:

11               (a) *I Maga'lahaen Guåhan* shall use the proceeds of such  
12 loan for the purpose of funding payments to Medicare for  
13 current Government of Guam Retirees in order to secure their  
14 eligibility for Part A and Part B coverage;

15               (b) prepaid charges shall not be levied by the bank or  
16 entity for opening a line of credit;

17               (c) interest derived from the financial agreement shall be  
18 exempt from taxation by the government of Guam;

19               (d) all terms of the financial agreement shall be negotiated  
20 by *I Maga'lahaen Guåhan* in the best interest of the People of  
21 Guam;

22               (e ) the interest rate shall be negotiated between *I*  
23 *Maga'lahaen Guåhan* and the lender, such interest rate shall not

1 exceed seven percent (7%) per annum and shall be computed  
2 on a three hundred sixty-five (365) days calendar year upon the  
3 actual amount extended to the government, and to be paid  
4 annually;

5 (f) the loan or line of credit will be secured solely by a  
6 pledge of the revenues from the fees for wholesalers license,  
7 retailers license, manufacturers license, and temporary  
8 commercial licenses as authorized by §72107 §72108, §72110,  
9 and §72111 respectively of Chapter 72 of 11GCA and service  
10 licenses as authorized in §76101 of Chapter 76 of 11GCA and  
11 not the full faith and credit of the government of Guam; and

12 (g) funds necessary for the repayment of the principal,  
13 interest and other costs associated with the financing, are to be  
14 paid only from the revenues of the Fees .

15 **Section 3. Appropriation of revenue from wholesalers license,**  
16 **retailers license, manufacturers license, and temporary commercial**  
17 **licenses fees.** All Revenues from the fees for wholesalers license,  
18 retailers license, manufacturers license, and temporary commercial  
19 licenses as authorized by §72107 §72108, §72110, and §72111  
20 respectively of Chapter 72 of 11GCA and service licenses as  
21 authorized in §76101 of Chapter 76 of 11GCA, are hereby  
22 appropriated for the purposes of paying the principal, interest and  
23 other costs associated with the financing on the loan or line of credit

1 authorized pursuant to this Act.

2       **Section 4. Report from I Maga'lāhen Guåhan.** If the revenue  
3 source or the terms of the loan or line of credit be insufficient to  
4 secure the necessary financing for the payments to Medicare  
5 authorized by this Act, I Maga'lāhen Guåhan shall issue a report to I  
6 Liheslaturan Guåhan with recommendations for any alterations  
7 necessary to either the source of revenue or terms of the loan in order  
8 to effectuate the authorized financing.