

MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN  
2006 (SECOND) Regular Session

Bill No. 343 (EC)

Introduced by:

J. A. Lujan 

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“THE FAIR PROPERTY TAX ACT OF 2006”, AN  
ACT TO AMEND §24306 OF ARTICLE 3, TITLE 11  
GUAM CODE ANNOTATED, AND TO REPEAL  
§24102(I) OF TITLE 11, GUAM CODE  
ANNOTATED.

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

2   **Section 1. Legislative Intent.** *I Mina'bente Ocho Na Liheslaturan Guåhan* finds  
3   that over the past nine years, a period of declining land values, the  
4   Government of Guam has effectively increased the real estate tax rate by  
5   failing to conduct a triennial assessment. Real property taxes in recent years  
6   have been based on their value in 1993, when the last formal comprehensive  
7   valuation was performed. At that time land values were still temporarily high,  
8   due to land speculation during the Japanese investment bubble. As real estate  
9   prices softened and declined, triennial valuations should have reflected a  
10  significant loss of appraised value. Instead, the government maintained

1 assessed values not in conformance with the statutory definition contained in  
2 11GCA §24102(f) as a numerical basis for tax levy, which is defined in 11GCA  
3 §24103 as a percentage of appraised value. In effect, when the market value of  
4 homes as determined by an independent appraisal and sales of comparable  
5 properties fell by 40%, then the resulting tax assessment based on the last  
6 valuation became 66.66% higher than intended by law. Instead of a statutory  
7 tax rate of .25% of assessed value, which is 1/3 of appraised value, the  
8 effective rate became .415%. Not only has the government effectively raised  
9 the tax rate by failing to perform the triennial valuation, it diverted funds for  
10 an objective triennial valuation for other uses, and replaced an objective  
11 process with a subjective, self-serving one. "The Fair Property Tax Act of  
12 2006" abolishes incentives to disregard established policy of periodic  
13 valuation as the objective basis for real estate tax assessments, and constrains  
14 the government from taxing landowners at inflated rates without public  
15 notice or accountability.

16 **Section 2.** §24306 of Article 3, Title 11, Guam Code Annotated, is  
17 hereby *amended* to read as follows:

18 "**§24306. Same: Valuation.** For the calendar year 1977, the valuation of all  
19 property shall be the 1978 valuation as shown on the assessment roll of the

1 government for 1976, provided, however, that in instances where property  
2 has been either improved or suffered loss in 1977, the assessor shall take into  
3 consideration such improvement or loss and adjust the assessment roll for  
4 such property accordingly. Commencing with the first Monday in March of  
5 1978 and continuing every three (3) years thereafter, the assessor shall  
6 reascertain the value of all property in Guam and such valuation shall be used  
7 as the basis for assessment during the annual adjustments for property which  
8 has been either improved or suffered loss, as provided by §24307.

9 Notwithstanding any other provision of law, if the valuation provided for in  
10 this section is not reascertained within three (3) years, then ~~the last completed~~  
11 ~~valuation as supplemented by the annual adjustments provided for in §24307~~  
12 ~~shall be the property tax valuation used under this Chapter~~ the assessor shall  
13 not assess any person for his or her real property until such triennial valuation  
14 is completed and adopted as the basis for assessment of all taxable property.

15 **Section 3. Repeal of §24102(l), Title 11, Guam Code Annotated.**

16 §24102(l) of Title 11, Guam Code Annotated, as enacted by Section 2 of Public  
17 Law 27-021, is hereby repealed.

1           **Section 4. Severability.** *If* any provision of this Law or its application  
2 to any person or circumstance is found to be invalid or contrary to law, such  
3 invalidity shall *not* affect other provisions or applications of this Law which  
4 can be given effect without the invalid provisions or application, and to this  
5 end the provisions of this Law are severable.