

I MINA' BENTE NUEBI NA LIHESLATURAN GUAHAN
2007 (FIRST) Regular Session

Bill No. 152 (EC)
Introduced by:

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AN ACT TO AMEND TITLE 11 GUAM CODE ANNOTATED, CHAPTER 24, RELATIVE TO FREEZING BASIC PROPERTY TAX LEVELS AT THEIR CURRENT RATE, AND TO ADDING A PROPERTY TAX LEVY ON THE FUTURE SALE OF LAND, AND TO REQUIRE A PROPERTY VALUATION EVERY FIVE (5) YEARS.

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1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **Section 1. Legislative Findings and Intent.** *I Mina' Bente Nuebi Na*
3 *Liheslaturan Guåhan* finds that the cost of virtually every consumer need,
4 including such essentials as health care, food, utilities, transportation and
5 shelter, has been rising at a faster pace than incomes. An increase in
6 property tax rates could have a harmful effect on many of Guam's people,
7 especially those living on fixed incomes, the elderly, the infirm, and those
8 whose pensions or stipends may not be able to absorb even a small increase
9 in taxes. *I Liheslatura* additionally finds that the limited number of parcels
10 of land in Guam available for sale creates a climate that encourages the
11 rapid turnover of property ownership, providing an alternative method to

1 increasing revenues instead of increasing the tax burden of those who are
2 least able to pay.

3 It is therefore the intent of *I Liheslatura* to allow the current tax rate
4 for property to remain in place so that those who currently own their
5 residence can be assured that the tax rate on their land will not rise during
6 their lifetime so long as it remains in their hands. This may also serve to
7 encourage individual land owners to retain and lease their property rather
8 than sell their birthright.

9 It is additionally the intent of *I Liheslatura* to increase the tax levy only
10 on those parcels of land that are sold on or after January 1, 2008 and to
11 amend existing law to require that the valuation of all property in Guam be
12 conducted every five years, beginning in 2008.

13 **Section 2. Title 11 Guam Code Annotated, Chapter 24, Article 1, §**
14 **24103 is amended to read:**

15 **“§ 24103 (a). Levy.** There is hereby levied on all land property
16 in Guam a yearly tax at the rate of one-quarter percent (1/4%) of the
17 value thereof and one percent (1%) of the value of the improvements
18 thereon.

19 **(b). Effective on January 1, 2008 and thereafter, until the**
20 **property is sold, the yearly tax amount levied on all land property in**
21 **Guam shall be the yearly tax amount levy on land property in place**

1 on December 31, 2007 and one percent (1%) of the value of the
2 improvements thereon.

3 (c). Effective on January 1, 2008 and thereafter, upon each sale
4 of any land property in Guam, there is hereby levied a yearly tax at
5 the rate of:

6 i. The greater of either one percent (1%) of the total sale price
7 of the property, or one percent (1%) of the aggregate tax
8 valuation of the property based on the last completed valuation
9 conducted pursuant to 11 GCA § 24306, as supplemented by
10 the annual adjustments provided for in 11 GCA § 24307; and

11 ii. one percent (1%) of the value of the improvements thereon.

12 (d). Such tax shall be assessed and collected in the manner
13 prescribed in this Chapter. All proceeds derived by the government
14 under any provision of this Chapter shall be deposited in the
15 Treasury of Guam to the credit of the general fund.”

16 **Section 3. Title 11 Guam Code Annotated, Chapter 24, Article 3 §**
17 **24306 and § 24307 are hereby amended to read:**

18 **“§ 24306. Same: Valuation.** [~~For the calendar year 1977, the~~
19 ~~valuation of all property shall be the 1978 valuation as shown on the~~
20 ~~assessment roll of the government for 1976, provided, however, that~~
21 ~~in instances where property has been either improved or suffered~~

1 ~~loss in 1977, the assessor shall take into consideration such~~
2 ~~improvement or loss and adjust the assessment roll for such property~~
3 ~~accordingly.] Commencing with the first Monday in March of [1978]~~
4 2008 and continuing every [~~three (3)~~] five (5) years thereafter, the
5 assessor shall re-ascertain the value of all property in Guam and such
6 valuation shall be used as the basis for assessment in Title 11 GCA §
7 24103 (c). [~~during the annual adjustments for property which has~~
8 ~~been either improved or suffered loss, as provided by §24307.~~
9 ~~Notwithstanding any other provision of law, if the valuation~~
10 ~~provided for in this §24306 is not re-ascertained every three (3) five~~
11 ~~(5) years as required by this Section, then the last completed~~
12 ~~valuation as supplemented by the annual adjustments provided for~~
13 ~~in §24307 shall be the property tax valuation used under this~~
14 ~~Chapter.]~~

15 **§24307. Same: Intervening Year.** In each year other than the
16 year of the [~~triennial~~] five (5) year valuation the assessor shall
17 ascertain the value of all property as of the first Monday in March
18 which shall have become taxable since the last valuation, including
19 new improvements or additions to old improvements, or which shall
20 change in value because of a change in use; and in case of the
21 destruction or injury by fire, flood, typhoon, storm or otherwise, or

1 removal of any improvements of any kind, or of orchards, timber, or
2 ornamental trees, the value of which shall have been included in the
3 former valuation of the property, the assessor shall determine the
4 value of such loss and reduce the valuation accordingly.”

5 **Section 4. Five (5) Year Property Valuation Assessment.** The
6 Department of Revenue and Taxation shall conduct the valuation of real
7 properties, pursuant to Title 11 GCA Chapter 24, Article 3, § 24306 in Fiscal
8 Year 2008.

9 **Section 5. Title 11 Guam Code Annotated, Chapter 24, Article 1, §**
10 **24110 is amended to read:**

11 **“§ 24110. Reduced Tax Rates of Senior Citizens.**

12 A senior citizen, who is defined for purposes of this Title as a person
13 fifty-five (55) years of age or older, who is the head of a household
14 and who currently resides in and owns his or her home, and has
15 lived on Guam for five (5) preceding consecutive years shall pay a
16 real property tax on such personal residential property at twenty
17 percent (20%) of the yearly real estate tax [~~based on the latest~~
18 ~~triennial tax assessment levied on such property owned by the~~
19 ~~respective senior citizen~~], provided such property is his or her place
20 of primary residence.”

1 **Section 6. Title 11 Guam Code Annotated, Chapter 24, Article 1, §**

2 **24112 (a) is amended to read:**

3 **“§ 24112. Reduced Tax for U.S. Citizens with Disabilities and**
4 **Heads of Households with Dependents with Disabilities.**

5 (a) A U.S. Citizen with disabilities or head of household with
6 dependents with disabilities, who is defined for purposes of this Title
7 as a U.S. Citizen aged eighteen (18) years or over who has lived on
8 Guam for the preceding five (5) consecutive years and who currently
9 resides in his or her own home, and meets the definition of
10 permanent disability as established by the Department of Integrated
11 Services for Individuals with Disabilities (‘DISID’), shall pay a real
12 property tax on such personal or family residential property at
13 twenty percent (20%) of the yearly real estate tax [~~based on the latest~~
14 ~~triennial tax assessment~~] levied on such property owned by the
15 respective U.S. Citizen, and which is his or her primary residence.”

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