

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

Bill No. 16 (EC)

Introduced by:

J.P. Guthertz
R.J. Respicio
T.R. Muna-Barnes

2007 JAN - 14 11:18 AM

AN ACT TO REQUIRE THAT THE REVENUE ESTIMATE FOR THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, AS CONTAINED IN PUBLIC LAW 28-149, BE REVISED BY THE ADMINISTRATION; AND FOR THE EXPIRATION OF APPROPRIATIONS FOR THE OPERATIONS OF THE GOVERNMENT OF GUAM AS CONTAINED IN PUBLIC LAWS 28-149 AND 28-150.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan*

3 finds that various departments and agencies of the Government of Guam
4 have been experiencing budget allotment shortfalls over the past several
5 years as a result of a decline in Guam's economy and an attendant
6 reduction in tax revenues. The Guam Public School System, the University
7 of Guam, the Guam Community College, health service agencies and
8 others are experiencing serious shortfalls. Some recipients of critical
9 government services have already endured severe hardships in the first
10 quarter of the Fiscal Year.

11 The Estimated Revenue for Fiscal Year 2007 for General Fund tax
12 revenue as contained in Section 2 of Public Law 28-149, is based on a Five
13 Percent (5%) growth rate from Fiscal Year 2006, with the exception of
14 Corporate Income Taxes, which was adjusted by Seven Percent (7%).

1 Figures reveal that the total actual revenue collected by the General
2 Fund for Fiscal Year 2006 is about Thirty Million Dollars (\$30,000,000) less
3 than the amount on which a revenue estimate were made and adopted
4 pursuant to P.L. 28-149. Consequently *I Liheslaturan Guahan* finds that the
5 appropriations for Fiscal Year 2007 made by *I Liheslatura* were greater than
6 the actual revenue that the Government of Guam is likely to receive for that
7 period because the appropriations contained in Public Laws 28-149 and 28-
8 150 were based on an erroneous revenue estimate.

9 It is the intent of *I Liheslaturan Guahan*, by virtue of passage of this
10 Act, to require the Administration to revise the revenue estimate adopted
11 pursuant to P.L. 28-149 on which were based the appropriations made in
12 P.L. 28-149 and P.L. 28-150, which together constitute the Government of
13 Guam budget for Fiscal Year 2007, and to submit said revised estimate to *I*
14 *Liheslaturan Guahan* within 30 days of the enactment of this act into law.

15 **Section 2. Revised Revenue Estimate for Fiscal Year 2007.** Within
16 thirty (30) days of the effective date of this act, *I Magalahen Guahan* shall
17 provide to *I Liheslaturan Guahan* a revenue estimate for Fiscal Year 2007 that
18 have been revised and updated from that which was adopted in Public
19 Law 28-149, and is based on the actual collections for Fiscal Year 2006.

20 **Section 3. FY07 Appropriations To Expire.** The appropriations
21 contained in Public Laws 28-149 and 28-150 shall expire sixty (60) days
22 after the effective date of this act, but no later than March 31, 2007, the last
23 day of the second calendar quarter of Fiscal Year 2007.