

PLC

**MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session**

Bill No. 357(BC)

Introduced by:

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AN ACT TO AMEND TITLE 12 GUAM CODE ANNOTATED CHAPTER 12 § 12015.5 (b) AND (e), AND TO ADD NEW SUBITEMS (1) AND (2) TO TITLE 12 GUAM CODE ANNOTATED 12015.5 (b) TO PROVIDE AN AMORTIZED SYSTEM DEVELOPMENT CHARGE (ASDC) FOR LOW AND MODERATE INCOME GUAM RESIDENTS WHO BUILD OR PURCHASE A HOME FOR THEIR PERSONAL RESIDENCE OR FOR THE RESIDENCE OF IMMEDIATE FAMILY MEMBERS, AND TO PROVIDE GUIDELINES FOR THE PUBLIC UTILITIES COMMISSION TO FOLLOW IN ADOPTING RULES FOR THE IMPLEMENTATION OF THE ASDC.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that Guam continues to face many economic challenges, and that among them is the increasing difficulty young families have in buying a home. The mortgage "meltdown" in the 50 states and the rapidly escalating cost of living around the world has pushed many families out of contention for home loans. A system development charge imposed by the Guam Waterworks Authority for water and wastewater hookups on new home construction threatens to make the desire of home ownership an impossible dream for many low and moderate income families.

I Liheslatura therefore intends that in order to promote and facilitate home ownership in Guam, any resident who desires to construct or purchase a home intended as their personal residence and/or that of

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1 immediate family members, and who meets the criteria of “low or
2 moderate income” as defined by the Guam Housing and Urban Renewal
3 Authority as a family whose income does not exceed eighty percent (80%)
4 of the median income for Guam, should be assessed an initial system
5 development charge equal to an amount no greater than 1% (one percent)
6 of the financed amount of the residence being constructed. The remainder
7 of the system development charge would then be amortized over a fifteen-
8 year period.

9 **Section 2. Title 12 Guam Code Annotated Chapter 12 § 12015.5 (b) is**
10 ***amended to read:***

11 **“§12015.5 (b)** Pursuant to its authority, the Commission shall
12 immediately begin proceedings to promptly establish and approve
13 the water and sewer system development charge schedule for GWA.
14 The Commission has the authority to adopt and approve a charge
15 schedule for GWA which complies with Subsection (a) of this Section
16 , including a schedule which shall be known as the Amortized
17 System Development Charge (ASDC) for low or moderate income
18 residents who are constructing or purchasing a single family
19 dwelling intended for their personal residence and/or for immediate
20 family members and who meet the criteria for low or moderate
21 income as defined by the Guam Housing and Urban Renewal
22 Authority in Title 12 GCA, Chapter 5, § 5413 (h) (2). Such charge shall
23 be assessed at an initial amount equal to no greater than 1% (one
24 percent) of the financed amount of the residence being constructed,
25 and the remainder of the charge shall be amortized over a period not
26 to exceed 15 (fifteen) years, in which the charge plus interest is added
27 to the monthly GWA billing for the dwelling at a rate in which the
28 total annually assessed charge shall not exceed the initial charge, and

1 provided, that nothing herein shall limit the Commission's authority
2 and jurisdiction to establish and approve General Lifeline Rates for
3 GWA which may apply to the water and sewer development charge
4 schedule. The charge schedule shall be applied to users and
5 developers by GWA upon its adoption and approval by the
6 Commission, and no charges shall be assessed prior to adoption and
7 approval by the Commission."

8 **Section 3. A new Title 12 Guam Code Annotated Chapter 12 §**
9 **12015.5 (b) (1) is *added* to read:**

10 **"(1). ASDC Applicability.** The ASDC shall not apply to
11 any commercial development involving the construction of
12 multiple residential units in Guam *except* that within such
13 development projects, those housing units intended for middle
14 and lower income residents of Guam, as defined by the Guam
15 Housing and Urban Renewal Authority in Title 12 GCA,
16 Chapter 5, § 5413 (h) (2), shall qualify for ASDC applicability."

17 **Section 4. A new Title 12 Guam Code Annotated Chapter 12 §**
18 **12015.5 (b) (2) is *added* to read:**

19 **"(2). ASDC Not Transferable.** Should a home owner
20 paying an ASDC decide to sell or transfer the property on
21 which the ASDC applies to a person who is not an immediate
22 family member or who qualifies for the ASDC under this
23 chapter, then full payment of any balances owed for the ASDC
24 shall be paid in full prior to registration of the sale and transfer
25 of the property at the Department of Land Management and
26 prior to the transfer of the original owner's water/wastewater
27 account to the new owner and/or occupant of the residence."

1 **Section 5. Title 12 Guam Code Annotated Chapter 12 § 12015.5 (e) is**
2 *amended to read:*

3 “(e) Fees due under the water and sewer development charge
4 schedule adopted by the Commission shall be paid to GWA prior to
5 the issuance of a building construction permit. Subsequent to the
6 adoption and approval of the charge schedule by the Commission, no
7 building construction permit shall be issued without a certificate
8 issued by GWA that all fees due under the charge schedule have been
9 paid , except that the Commission shall develop and adopt a schedule
10 for GWA customers qualified for the ASDC that shall allow for the
11 building construction permit to be issued subsequent to payment of
12 the initial charge.”

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