

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

2008 DEC 11 AM 9:20  
EPM

Bill No. 402 (EC)

Introduced by:

Committee on Calendar  
By request of I Maga'lahaen  
Guåhan in accordance with  
the Organic Act of Guam.

AN ACT TO AMEND 5 GCA § 1512.2, RELATIVE TO THE  
AUTHORIZATION TO ENTER INTO LOAN FOR LANDFILL  
COSTS

1           Section 1. Section 1512.2 of Title 5, Guam Code Annotated, is hereby  
2 amended to read:

3           “§ 1512.2. Authorization to Enter Into Loan for Landfill Costs.

4           (a) **Authorization to Borrow.** *I Maga'lahaen Guahan* is authorized to borrow on  
5 behalf of the government of Guam as provided in this Section from one (1) *or* more  
6 banks *or* other financial institutions an amount *not to exceed* the amount necessary to  
7 provide Twenty Million Dollars (\$20,000,000) for the purpose of financing costs of the  
8 new landfill.

9           (b) **Terms and Conditions.** The terms and conditions of the loan *shall* be as  
10 determined by *I Maga'lahaen Guåhan* by the execution of a loan agreement; provided,  
11 however, that the loan: (1) shall be subject to prepayment from the proceeds of the first  
12 revenue bonds issued for the landfill, which proceeds may be pledged for that purpose;  
13 (2) *shall not* be a general obligation of the government of Guam: (3) *shall not* also be  
14 secured by a pledge of Section 30 revenues; (4) shall, if not paid with the proceeds of

1 revenue bonds, have annual principal payments over the five (5) year period  
2 commencing one (1) year after its funding date; (5) *shall* bear interest at such fixed rate  
3 *or* variable rate *or* rates as may be negotiated by *I Maga'lahañ Guåhan* in the best  
4 interests of the government, such interest rate *shall not exceed* eight percent (8%) and  
5 *shall* be computed on a three hundred sixty-five (365) day calendar year upon the actual  
6 amount extended to the government; (6) prepaid charges *shall not* be levied by the bank  
7 *or* entity for opening a loan *or* line of credit; and (7) interest derived from the financial  
8 agreement *shall* be *exempt* from taxation by the government of Guam.

9 **(c) Approval by Guam Economic Development Authority.** *No* loans  
10 authorized by this Section *shall* be entered into until the Board of Directors of GEDA  
11 has approved the sale by resolution.

12 **(d) Approval of Voters Not Required.** The loan *shall not* be subject to the  
13 approval of the voters of Guam.

14 **(e) Approval of Loan.** *I Liheslaturan Guåhan*, pursuant to §50103(k), Title 12  
15 Guam Code Annotated, hereby approves a borrowing by the government of Guam for  
16 the purposes and in the principal amount authorized by this Section provided that the  
17 loan is entered into subject to the terms and conditions mandated in this Section.”

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