

I MINA' TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) REGULAR SESSION

Bill No. 156-3(LOR)

Introduced by:

v.c.pangelinan

AN ACT TO APPROPRIATE NINE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$9,800,000.00) REIMBURSED FROM THE GUAM WATERWORKS AUTHORITY IN ACCORDANCE WITH PUBLIC LAW 30-145 TO THE GOVERNMENT OF GUAM FOR THE PAYMENT OF TAX REFUNDS FOR 2009 AND PRIOR AND TO PAY FOR INTEREST AND PRINCIPAL FOR COST OF LIVING ALLOWANCES PURSUANT TO SUPERIOR COURT NO. SP0206-93.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **SECTION 1. Legislative Findings and Intent.** *I Liheslaturan*
2 *Guåhan* finds that the current non-payment of income tax refunds to the
3 people of Guam imparts undeserved financial burdens and hardships on the
4 taxpayers of Guam and that the prioritization of the payments of tax refunds
5 is of utmost importance to *I Liheslaturan Guåhan*.

6 *I Liheslaturan Guåhan* further finds the principal and interest owed to
7 retirees pursuant to Rios v. Camacho, Superior Court No. SP0206-93 has yet
8 to be paid in full by the government of Guam. *I Liheslaturan Guåhan*
9 continues to do what is necessary to make payments and fulfill the mandates
10 of the court for Cost of Living Allowance (COLA) awards and to bring
11 finality to this injustice the *manåmko* ' and their heirs have endured.

12 *I Liheslaturan Guåhan* further finds that the Committee on
13 Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and
14 Land (Committee) has diligently worked toward the reimbursement of the

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1 funds from the Guam Waterworks Authority (GWA) in accordance with
2 Public Law 30-145, which requires that Twenty Million Dollars
3 (\$20,000,000) of the principal amount of the GWA's Series Bond be used to
4 pay the balance of the government of Guam Limited Obligation (Section 30)
5 Series 2001A bond and any other portions of Bonds or Loans paid for by
6 General Fund revenues for which the GWA has received proceeds.

7 *I Liheslaturan Guåhan* further finds that such portions of Bonds or
8 Loans paid for by General Fund revenues for which the GWA has received
9 proceeds include, but is not limited to, the government of Guam Limited
10 Obligation (Section 30) Bonds Series 2001A, of which debt service in fiscal
11 year 2011 for said bond amounted to Nine Million Eight Hundred Twenty-
12 five Thousand Two Hundred Seventy-five Dollars (\$9,825,275.00) and has
13 been paid in fiscal year 2011.

14 *I Liheslaturan Guåhan* further finds that the amount of Nine Million
15 Eight Hundred Thousand Dollars (\$9,800,000.00) is deemed to be
16 reimbursed to the government of Guam from the GWA in accordance with
17 the Administrative Law Judge for the Public Utilities Commission, GWA
18 Docket No. 11-01 and Public Law 30-145 and shall be used pay tax refunds
19 owed to thousands of taxpayers on Guam and COLA obligations.

20 *I Liheslaturan Guåhan* further finds that the use of such reimbursed
21 funds from the GWA would decrease the government of Guam's deficit by
22 the cash infusion of Nine Million Eight Hundred Thousand Dollars
23 (\$9,800,000.00).

24 Therefore, it is the intent of *I Liheslaturan Guåhan* to appropriate
25 these reimbursed funds for the purposes of income tax refunds for tax year
26 2009 and prior and to pay COLA for retirees pursuant to *Rios v. Camacho*,
27 Superior Court No. SP0206-93.

1 **SECTION 2. Appropriation of Reimbursed Funds from the**
2 **GWA.**

3 (1) The sum of Nine Million Eight Hundred Thousand Dollars
4 (\$9,800,000.00) reimbursed and received from the Guam Waterworks
5 Authority by the government of Guam in accordance with Public law 30-145
6 is hereby by authorized for the following:

7 (a) Fifty-percent (50%) of funds appropriated herein is hereby
8 appropriated to pay for income tax refunds for tax year 2009 and prior for
9 “A-status returns” and shall be deposited by the bond trustee of the Guam
10 Waterworks Authority or any other entity, from which such reimbursed
11 funds are held, directly into the Income Tax Refund Efficient Payment Trust
12 Fund. For the purposes of this section, A-status returns means income tax
13 returns that are certified by the Department of Revenue and Taxation and
14 ready for payment.

15 (b) Fifty-percent (50%) of funds appropriated herein is hereby
16 appropriated to the Government of Guam Retirement Fund (GGRF) for the
17 payment of principal and interest that is owed to qualified retirees pursuant
18 to Rios v. Camacho, Superior Court No. SP0206-93 and shall be deposited
19 by the bond trustee of the Guam Waterworks Authority or any other entity,
20 from which such reimbursed funds are held, to the GGRF. Such payment of
21 principal and interest shall be prepared and disbursed in accordance with
22 Section 3 of this Law.

23 **SECTION 3. Cost of Living Allowance (COLA) Preparation and**
24 **Disbursement Provisions.**

25 (a) The Government of Guam Retirement Fund and the
26 Department of Administration (DOA) shall perform the preparation of

1 payments to COLA recipients according to Section 2(b) of this Act. Upon
2 preparing COLA payments, the DOA shall request from the Government of
3 Guam Retirement Fund, the funds required to prepare COLA payments and
4 shall be paid out from the bank account set forth in Section 3(c).

5 (b) The disbursement provisions for the appropriation in Section
6 2(b) are principal or interest from principal owed to claimants set forth in
7 Title 5 Guam Code Annotated, Chapter 6, Article 4, §6404(d)(1) starting
8 with the claimant with the lowest initial award from the class settlement,
9 followed by the next lowest initial award from the class settlement, followed
10 by the next lowest initial award and repeating this disbursement
11 methodology until all the funds appropriated in Section 2(b) of this Act are
12 exhausted.

13 (c) The funds requested and received by the DOA in accordance
14 with Section 3(a) *shall* be deposited into a bank account, separate and apart
15 from the General Fund, and *shall* only be withdrawn or expended for the
16 payment of principal and interest that is owed to qualified retirees pursuant
17 to *Rios v. Camacho*, Superior Court No. SP0206-93. Any funds transferred
18 to the bank account set forth in this section, *shall not* be subject to the
19 transfer authority of *I Maga`lahen Guåhan*.

20 **SECTION 4. Reporting.** The DOA *shall* submit a written report
21 regarding the reimbursed funds from the Guam Waterworks Authority as
22 indicated in Sections 2(a) and 2(b) as follows:

23 (a) Section 2(a). A detailed, written report of the actual expenditure
24 of the appropriation and the total amount deposited into the Income Tax
25 Refund Efficient Payment Trust Fund as outlined in Section 2(a) of this Act
26 shall be reported to *I Liheslaturan Guåhan* no later than September 30, 2011.

1 (b) Section 2(b). A detailed written report of the total amount
2 requested from the Government of Guam Retirement Fund, the total amount
3 received from the Government of Guam Retirement Fund, the total amount
4 disbursed and paid to for the purposes set forth in Section 2(b), and a
5 reconciliation and explanation if there is/are any differences between such
6 totals to *I Liheslaturan Guåhan* within forty-five (45) days after being
7 reimbursed by the Guam Waterworks Authority.

8 *No* portion of this appropriation *shall* be used for purposes other than
9 that are specifically defined in Section 2 of this Act.

10 **SECTION 5. Severability.** If any provisions of this Law or the
11 application thereof to any person or circumstance is held invalid, such
12 invalidity *shall* not affect any other provision or application of this Law
13 which can be given effect without the invalid provision or application, and to
14 this end the provisions of this Law are severable.