

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 208-92 (COR)

Introduced by:

T.R. Muña Barnes

AN ACT TO ADD § 51112 OF CHAPTER 51, TITLE 18 GUAM
CODE ANNOTATED RELATIVE TO PROVIDING AN
ADDITIONAL SOURCE OF FUNDING TO THE GUAM
HOUSING CORPORATION'S HOUSING TRUST FUND BY
AUTHORIZING THE TRANSFER TO THE SAME OF
INTEREST ON SECURITY DEPOSITS ARISING FROM
LANDLORD TENANT RENTAL AGREEMENTS.

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds

that some 600 Housing Trust Fund Programs throughout the United States have successfully implemented various statutorily prescribed funding sources to further the purpose and objective of creating and sustaining affordable housing in their respective jurisdictions. One such revenue-creating mechanism is the authorization of the transfer of monies collected from interest on security deposits arising from duly executed landlord-tenant rental agreements. It is the intent of *Liheslaturan Guåhan* that funds collected from this newly prescribed funding source be deposited into the Guam Housing Corporation's Housing Trust Fund program, as established in Article 10 of Chapter 4, Title 12, Guam Code

1 Annotated, in order to be used by the Guam Housing Corporation as lending
2 capital or to otherwise further effectuate its mandate to create and sustain
3 affordable housing for the people of Guam.

4 **Section 2.** Section 51112 of Chapter 51, 18 Guam Code Annotated is hereby
5 added to read as follows:

6 **“§51112. Funds Generated on Interest Bearing Accounts Held on**
7 **Security Deposits.** Whenever a lessor, as a condition of leasing any structure
8 intended for use or occupation as provided under an agreement between lessor and
9 lessee, requires a deposit of some amount of money, for any purpose, including an
10 advance payment on rent, or such other security for the premises, and that such
11 amount of money is placed or deposited into an interest bearing account with a
12 bank or financial institution licensed on Guam, any interest generated on the
13 monies deposited shall be paid over annually, no later than 31st day of December of
14 every year, to the Housing Trust Fund, as established in Article 10 of Chapter 4,
15 Title 12, Guam Code Annotated. As a condition of obtaining or renewing a
16 business license to lease the real property, a lessor must disclose the existence of
17 each account, the place of each account, deposits made into the account, the
18 amount of interest generated, by the account in the previous year, and demonstrate
19 the disposition of that interest money in accordance with this section. All funds
20 shall be paid to the Treasurer of Guam at the time of renewal every year of a

1 business license. The Treasurer of Guam shall be authorized to transfer and
2 deposit such funds in the Housing Trust Fund, as established in Article 10 of
3 Chapter 4, Title 12, Guam Code Annotated. These funds shall be used in
4 accordance with the administrative rules and regulations of the Housing Trust Fund
5 program.”

6 **Section 3. Severability.** The provisions outlined in this Act are declared to
7 be separate and severable. The invalidity of any clause, sentence, paragraph,
8 subdivision, section or portion of this statute, or the invalidity of the application
9 thereof to any person or circumstance shall not affect the validity of the remainder
10 of this statute or the validity of its application to other persons or circumstances.

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