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**I MINA'TRENTA NA LIHESLATURAN GUÁHAN
2009 (SECOND) Special Session**

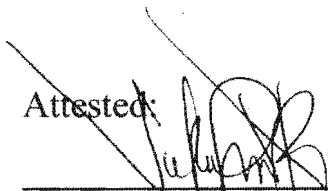
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÁHAN

This is to certify that **Bill No. 1 (2-S)**, "AN ACT TO *AMEND* ARTICLE 8 OF CHAPTER 51 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GOVERNMENT OF GUAM TO ISSUE BONDS FOR THE PURPOSE OF FINANCING FACILITIES OF THE SOLID WASTE MANAGEMENT SYSTEM, AND APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF ONE (1) *OR* MORE SERIES OF BONDS PURSUANT TO SUCH ARTICLE TO PAY THE COSTS OF A NEW LANDFILL AND THE CLOSURE OF THE ORDOT DUMP AND RELATED SYSTEM COSTS; TO *AMEND* §24102(f) AND §24103 OF ARTICLE 1 OF CHAPTER 24 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE VALUATION OF PROPERTY SUBJECT TO REAL PROPERTY TAXATION; AND TO *AMEND* §1512.1 OF CHAPTER 1 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE ISSUANCE OF BONDS TO FINANCE CERTAIN GENERAL FUND EXPENSES", was on the 1st day of April, 2009, duly and regularly passed.



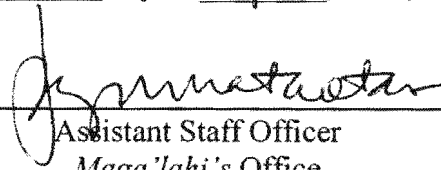
**JUDITH T. WON PAT, Ed.D.
Speaker**

Attested:



**TINA ROSE MUÑA BARNES
Legislative Secretary**

This Act was received by *I Maga'lahen Guáhan* this 1 day of April, 2009, at 10:10 o'clock A.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

**FELIX P. CAMACHO
*I Maga'lahen Guáhan***

Date: _____

Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (SECOND) Special Session

Bill No. 1 (2-S)

As amended on the Floor.

Introduced by:

Committee on Rules, Natural
Resources, Federal, Foreign,
and Micronesian Affairs

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

AN ACT TO *AMEND* ARTICLE 8 OF CHAPTER 51 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GOVERNMENT OF GUAM TO ISSUE BONDS FOR THE PURPOSE OF FINANCING FACILITIES OF THE SOLID WASTE MANAGEMENT SYSTEM, AND APPROVING THE TERMS AND CONDITIONS OF THE ISSUANCE OF ONE (1) *OR* MORE SERIES OF BONDS PURSUANT TO SUCH ARTICLE TO PAY THE COSTS OF A NEW LANDFILL AND THE CLOSURE OF THE ORDOT DUMP AND RELATED SYSTEM COSTS; TO *AMEND* §24102(f) AND §24103 OF ARTICLE 1 OF CHAPTER 24 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE VALUATION OF PROPERTY SUBJECT TO REAL PROPERTY TAXATION; AND TO *AMEND* §1512.1 OF CHAPTER 1 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE ISSUANCE OF BONDS TO FINANCE CERTAIN GENERAL FUND EXPENSES.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1.** §51802 of Article 8 of Chapter 51 of Title 10, Guam Code
3 Annotated, is hereby *amended* to read as follows:

4 "§51802. **Definitions.** The following terms wherever used *or*
5 referred to in this Article *or* in any indenture entered into pursuant hereto
6 (*except* to the extent modified therein in accordance with this Article) *shall*

1 have the following meanings, respectively, unless a different meaning
2 appears from the context:

3 (a) *Bonds* means an instrument of indebtedness, whether in
4 the form of bonds, notes *or* another such instrument, issued by the
5 government and providing for repayment of the principal amount of
6 the indebtedness, plus interest, over a specified timeframe.

7 (b) *Bondholder or holder of bonds, or* any similar term,
8 means any person who *shall* be:

9 (1) the bearer of any outstanding bond *or* bonds
10 registered to bearer *or not* registered; or

11 (2) the registered owner of any such outstanding bond
12 *or* bonds which *shall* at the time be registered other than to
13 bearer.

14 (c) *Department* means the Department of Public Works,
15 acting on behalf of the government of Guam.

16 (d) *Director* means the Director of the Department of Public
17 Works.

18 (e) *Guam Solid Waste Management and Litter Control Act*
19 means Chapter 51 of Title 10 of the Guam Code Annotated.

20 (f) *Indenture* means an agreement pursuant to which bonds
21 are issued, regardless of whether such agreement is expressed in the
22 form of a certificate of the Governor of Guam (*I Maga'lahaen Guåhan*)
23 *or* by other instrument.

24 (g) *Organic Act* means the Organic Act of Guam, as
25 amended, and in effect on the effective date of this Article (Title 48,
26 §1421 et seq. of the United States Code).

1 (h) *Person* includes any individual, firm, corporation,
2 association, partnership, trust, business trust *or* receiver *or* trustee *or*
3 conservator for any thereof, and also includes the United States, Guam
4 *or* any public corporation, political subdivision, city, county *or* district
5 *or* any agency *or* instrumentality of the United States *or* of Guam.

6 (i) *Pledged revenue* means any revenue of the system and
7 any General Fund revenue, including any Section 30 revenue, pledged
8 to the payment of bonds.

9 (j) *Rates, fees and charges* means all rates, fees and charges
10 (including tipping fees, residential pick-up fees, collection fees, self-
11 drop fees and all other solid waste management service charges),
12 received *or* receivable by *or* on behalf of the Department for
13 providing solid waste management services.

14 (k) *Revenue of the system* means all gross income and other
15 amounts received by *or* on behalf of the Department as revenues of
16 any kind from the ownership *or* operation of any part of the system,
17 including all rates, fees and charges received by the Department, and
18 all proceeds of insurance *or* grants covering business interruption loss
19 (and related losses and expenses) relating to the system, and all other
20 income and revenue howsoever derived by the Department from the
21 ownership *or* operation of, *or* arising from, the system, together with
22 all interest, profits *or* other income derived from the investment of
23 amounts in the Solid Waste Operations Fund, to be deposited to the
24 Solid Waste Operations Fund in accordance with §51833, Title 10,
25 Guam Code Annotated.

1 (l) *Section 30 revenue* means revenues derived by the
2 government of Guam under Section 30 of the Organic Act (Title 48,
3 §1421h of the United States Code).

4 (m) *Solid Waste Operations Fund* means the fund by that
5 name established pursuant to §51118(f), Title 10, Guam Code
6 Annotated.

7 (n) *System* means the solid waste management system, now
8 *or* hereafter existing, owned and/or operated by the Department *or* its
9 contractors, agents *or* subcontractors, including, but *not limited to*,
10 landfills (whether closed *or* open and including Ordot Dump), transfer
11 stations, recycling facilities, collection trucks, appurtenant equipment
12 such as scales, ground water monitoring equipment and pollution
13 control equipment, and administrative facilities supporting the
14 provision of solid waste management services, including facilities for
15 payroll, billing and collections.

16 (o) *System operation and maintenance costs* means such
17 reasonable and necessary current expenses of the Department, paid *or*
18 accrued, for operation, maintenance and repair of the system,
19 including, without limiting the generality of the foregoing:

20 (1) legal and overhead expenses of the Department
21 directly related and reasonably allocable to the administration
22 of the system;

23 (2) fidelity bond and insurance premiums appertaining
24 to the system *or* a reasonably allocable share of a premium of
25 any blanket bond *or* policy pertaining to the system;

1 (3) contractual services, professional services, salaries,
2 administrative expenses, and costs of labor appertaining to the
3 system; and

4 (4) the costs incurred in the collection of all *or* any
5 part of the revenues.

6 (p) *United States* means the United States of America."

7 **Section 2.** §51803 of Article 8 of Chapter 51 of Title 10, Guam Code
8 Annotated, is hereby *amended* to read as follows:

9 "**§51803. Power to Incur Indebtedness.** *I Maga'lahaen Guåhan,*
10 through the agency of the Guam Economic Development Authority pursuant
11 to §50103(k), Title 12, Guam Code Annotated, and with the approval of *I*
12 *Liheslaturan Guåhan* by statute, has the power and is hereby authorized, in
13 addition to all other powers conferred by the Guam Solid Waste
14 Management and Litter Control Act *or* any other provision of this Chapter
15 *or* by any law of Guam *or* of the United States, to incur indebtedness on
16 behalf of the government of Guam, by the issuance of bonds pursuant to this
17 Article to raise funds for the purpose of acquiring, constructing, improving,
18 equipping, maintaining, repairing, renewing, replacing, reconstructing *or*
19 insuring the system, *or* any part thereof, *or* to reimburse the government for
20 its payment, after the date of this legislation, of such system bond costs, *or*
21 for the purpose of refunding any such system bonds *or* any other *prior*
22 obligations of the government issued for any of such system purposes, *or* for
23 any combination of such system purposes for which bonds may be issued
24 and secured as provided in this Article.

25 It is hereby declared that the system and each facility of the system is
26 and *shall* be a public improvement *or* undertaking as that term is used in
27 Section 11 of the Organic Act (§1423a, Title 48, U.S. Code). Indebtedness

1 issued by the government pursuant to this Article that is payable *only* from
2 funds in the Solid Waste Operations Fund available therefor and from
3 revenue of the system *will not* be and *shall not* be deemed to be public
4 indebtedness of Guam as that term is used in said Section 11. Indebtedness
5 that is issued by the government pursuant to this Article and that is payable
6 from either Section 30 revenue *or* the General Fund may *not* be issued in an
7 amount that would cause a violation of the debt limitation provisions of said
8 Section 11.

9 *No* obligation that is undertaken by the government pursuant to this
10 Article *shall* be *or* become a lien, charge *or* liability against the government
11 of Guam *or* against the Department *or* against any property *or* funds of the
12 government of Guam *or* the Department, *except* to the extent of the pledge
13 of pledged revenue provided by the indenture and any pledge of the full faith
14 and credit of the government of Guam pursuant to §51822.5 of this Article."

15 **Section 3.** §51804 of Article 8 of Chapter 51 of Title 10, Guam Code
16 Annotated, is hereby *amended* to read as follows:

17 **"§51804. Powers of Department.** Notwithstanding any provision
18 of law *or* regulation, the Department has power and is hereby authorized, in
19 addition to all other powers conferred upon the Department by the Guam
20 Solid Waste Management and Litter Control Act *or* any other provision of
21 this Chapter *or* by any law of Guam, to exercise any *or* all of the powers
22 granted to the Department by this Article. The Department has jurisdiction
23 over and may collect and transport to permitted solid waste facilities, *or*
24 contract for the collection and transportation to permitted solid waste
25 facilities, of solid waste from all individual dwelling units, single-family
26 residences, duplexes, and government-managed housing units *or* residences.
27 The Department may operate the Ordot Dump, *or* it may contract for the

1 operation of the Ordot Dump, in accordance with Guam law and its permit
2 under this Chapter. The Department may contract for the operation of the
3 landfill.

4 The Department may also operate, *or* contract for the operation of, all
5 other permitted solid waste management facilities and operations *not*
6 addressed above and within the policy guidelines of the Integrated Solid
7 Waste Management Plan. Any such contract for the operation of the Ordot
8 Dump *or* the landfill may be entered into pursuant hereto *or* pursuant to
9 Article 9 of this Chapter and may be with any person *or* corporation duly
10 qualified to provide such services, whether public *or* private, domestic *or*
11 foreign. Notwithstanding this *or* any other provision of law, the
12 authorization to enter into a privatization, partnership, *or* contract by the
13 Department for the operation of the system *shall* require a cost benefit
14 analysis, economic impact study, and legislative approval."

15 **Section 4.** §51805 of Article 8 of Chapter 51 of Title 10, Guam Code
16 Annotated, is hereby *amended* to read as follows:

17 **"§51805. Rates, Fees and Charges; Refunds.** Notwithstanding
18 any provision of law *or* regulation to the contrary, the Department is
19 authorized to establish and modify from time to time, with prior approval by
20 the Public Utilities Commission, reasonable rates, fees and charges for solid
21 waste services at least adequate to cover the full cost of such services,
22 including the costs of debt service for capital improvements of permitted
23 solid waste facilities, and to collect money from all users *or* customers, and
24 to refund charges collected in error. Rates, fees and charges may be
25 collected before *or* after the provision of the service for which they are
26 charged.

1 *Except* to the extent otherwise permitted *or* required by an indenture
2 pursuant to which bonds are issued, rates, fees and charges, together with
3 other moneys made available to the Department for such purposes, *shall* at
4 all times be fixed to yield annual revenue of the system at least equal to the
5 sum of annual principal payments and interest charges on all bonds then
6 outstanding, all coverage and reserve fund requirements relating to such
7 bonds, any obligations undertaken pursuant to Article 9 of this Chapter, and
8 the annual system operation and maintenance costs.

9 An indenture, lease *or* contract of indebtedness may provide for
10 payment from revenue of the system of refunds of rates and charges that are
11 collected in error and that are refundable by the Department."

12 **Section 5.** §51811 of Article 8 of Chapter 51 of Title 10, Guam Code
13 Annotated, is hereby *amended* to read as follows:

14 "**§51811. Covenants and Agreements that may be Contained in**
15 **Indenture.** An indenture pursuant to which bonds are issued may include
16 any and all covenants and agreements on the part of the government as *I*
17 *Maga'lahaen Guåhan* deems necessary *or* advisable, including, without
18 limiting the generality of the foregoing, any one (1) *or* more of the
19 following:

20 (a) A provision that payments of principal and interest of
21 bonds *shall* be secured by a pledge of all *or* by part of the revenue of
22 the system *or* the Section 30 revenue *or* both.

23 (b) Provisions creating one (1) *or* more funds *or* accounts
24 into which all *or* any part of pledged revenue *shall* be deposited:

25 (1) for payment of the principal of and interest on
26 bonds at *or* prior to maturity; or

1 (2) for reserve *or* sinking funds for the further security
2 of bonds.

3 (c) A provision requiring the government to operate the
4 system continuously, to the extent reasonably practicable under
5 conditions as they may from time to time exist, in an efficient and
6 economical manner.

7 (d) A provision requiring the government to maintain the
8 system and to make all necessary repairs, renewals and replacements
9 to the system and to keep the system at all times in good working
10 order and condition.

11 (e) A provision requiring the government to preserve and
12 protect the security of the bonds and the rights of the holders thereof
13 and to warrant and defend such rights.

14 (f) A provision requiring the government to pay and
15 discharge *or* cause to be paid and discharged all lawful claims for
16 labor, materials and supplies *or* other charges which, *if* unpaid, might
17 become a lien *or* charge upon pledged revenue *or* any part thereof, *or*
18 which might impair the security of the bonds.

19 (g) A provision which limits, restricts *or* prohibits any right,
20 power *or* privilege of the government to mortgage *or* otherwise
21 encumber, sell, lease *or* dispose of the system *or* any part thereof, in
22 any manner that impairs *or* impedes the operation of the system *or*
23 any part thereof necessary to secure adequate pledged revenue *or* that
24 otherwise impairs *or* impedes the right of the holders of bonds *or*
25 other obligations with respect to such pledged revenue.

26 (h) A provision requiring the government, with the prior
27 approval of the Guam Public Utilities Commission, to fix, prescribe

1 and collect annually rates *or* other charges in connection with the
2 solid waste management services furnished from the system which,
3 together with other available revenues, including, to the extent
4 provided by an indenture, Section 30 revenue, will be:

5 (1) sufficient to pay the principal of and interest on the
6 bonds as they become due and payable, together with such
7 additional sums as may be required for any bond reserve fund
8 *or* account *or* other fund *or* account created by the indenture for
9 the security of such bonds;

10 (2) sufficient to pay any payments due under any lease
11 *or* lease-back entered into pursuant to Article 9 of this Chapter;

12 (3) sufficient to pay the annual system operation and
13 maintenance costs; and

14 (4) in such additional amount as *shall* be provided in
15 the indenture for the further security *or* protection of such
16 bonds.

17 (i) A provision that *no* solid waste management service *shall* be
18 furnished free of charge to any person, *except* to the extent permitted by
19 the indenture.

20 (j) A provision requiring the government to hold *or* cause to be
21 held in trust the pledged revenue *or* any part thereof, *or* to any fund *or*
22 account created by any indenture for the further security *or* protection
23 of such bonds and to apply such pledged revenue *or* cause it to be
24 applied only as provided in the indenture and to invest all *or* any part
25 of such pledged revenue pending such application in such securities
26 and subject to such limitations as are specified in the indenture.

1 (k) A provision defining the power of the government in
2 applying the proceeds of the sale of any issue of bonds for the
3 acquiring, constructing *or* completing of the system *or* any part
4 thereof.

5 (l) A provision permitting the government to issue additional
6 bonds *or* to enter into one (1) *or* more lease-back obligations pursuant
7 to Article 9 of this Chapter, in each case equally secured with bonds
8 theretofor issued under the indenture and lease-back obligations
9 previously entered into, for the purpose of acquiring, constructing *or*
10 completing, improving *or* extending the system *or* any part thereof, *or*
11 for the purpose of refunding any *prior* bonds *or* any other prior
12 obligations of the government relating to the system; and a provision
13 limiting the power of the government to issue any additional bonds so
14 secured *or* any other additional bonds for such purpose.

15 (m) A provision requiring, specifying *or* limiting the kind,
16 amount and character of insurance (or any reserve fund *or* funds in
17 lieu of insurance) to be maintained by the government on the system
18 *or* any part thereof and the use and disposition of the proceeds of any
19 such insurance thereafter collected *or* of the moneys in any such
20 reserve fund.

21 (n) A provision specifying the events of default and the terms
22 and conditions upon which any *or* all of the bonds then *or* thereafter
23 issued may become *or* be declared due and payable prior to maturity,
24 and the terms and conditions upon which such declaration and its
25 consequences may be waived.

1 (o) A provision designating the rights, limitations, powers and
2 duties arising upon breach by the government of any of the covenants,
3 conditions *or* obligations contained in the indenture.

4 (p) A provision prescribing a procedure by which the terms and
5 conditions of the indenture may be subsequently amended *or* modified
6 with the consent of the government and the vote *or* written consent of
7 the holders of a specified principal amount *or* specified proportion of
8 the bonds issued and outstanding, including provisions for meetings of
9 bondholders and for the manner in which the consent of the
10 bondholders may be given and specifically stating the effect of such
11 amendment *or* modification upon the rights of the holders of all of the
12 bonds.

13 (q) With respect to any provision relating to the modification *or*
14 amendment of an indenture, the government may agree that bonds
15 held by the government, the United States *or* any instrumentality of
16 either thereof (including every public corporation, political
17 subdivision, agency *or* instrumentality of any kind *or* class) *shall not*
18 be counted as outstanding bonds, *or* be entitled to vote *or* assent, but
19 *shall*, nevertheless, be subject to any such modification *or*
20 amendment.

21 (r) A provision limiting the right of action by individual
22 bondholders in the event of a default by the government *or*
23 proscribing the procedure for the conduct of any such action by an
24 individual bondholder.

25 (s) A provision permitting the government to purchase
26 outstanding bonds from any moneys *or* funds *or* accounts referred to
27 in the indenture *or* otherwise legally available for such purpose.

1 (t) A provision for any working capital fund *or* account *or*
2 contingency fund *or* account relating to the system.

3 (u) A provision for the replacement of lost, destroyed *or*
4 mutilated bonds.

5 (v) A provision *or* provisions relating to such other acts and
6 matters as may be necessary *or* convenient *or* desirable in order to
7 better secure the bonds *or* to make the bonds more marketable."

8 **Section 6.** A new §51821(h) is hereby *added* to Article 8 of Chapter 51 of
9 Title 10, Guam Code Annotated, to read:

10 "(h) For reimbursement of the General Fund or other
11 source of the government of Guam for cash deposits or other payments made by
12 the government of Guam between March 1, 2009 and the date of issuance of these
13 bonds pursuant to the February 13, 2009 Order in the U.S. District Court Case No.
14 02-00022."

15 **Section 7.** §51822 of Article 8 of Chapter 51 of Title 10, Guam Code
16 Annotated, is hereby *amended* to read as follows:

17 "**§51822. Bonds May be Secured by Revenue of the System.** An
18 indenture may provide that payment of the bonds and the interest thereon
19 *shall* be secured by a pledge of and lien upon all *or* any portion of the
20 revenue of the system, subject to any parity lien created *or* to be created
21 pursuant to Article 9 of this Chapter. Any such pledge and lien *shall* be
22 valid and binding against all parties in accordance with its terms and have
23 priority against all parties in accordance with its terms from the time the
24 pledge is made, and property so pledged *shall* immediately be subject to the
25 lien of the pledge without the need for physical delivery, recordation filing
26 *or* other further act. The pledge *shall not* be subject to Division 9 of Title 13
27 of the Guam Code Annotated *or* any successor statute. The revenue of the

1 system pledged and thereafter received by the government *or* by any trustee,
2 depository *or* custodian *shall* be deposited in a separate subaccount of the
3 Revenue Account in the Solid Waste Operations Fund. The indenture by
4 which such pledge is created need *not* be recorded. All such pledged
5 revenue of the system is hereby appropriated for the purposes of paying the
6 principal and interest on the bonds issued pursuant to this Article.

7 Pledged revenue released from the lien of the indenture *or* certificate
8 pursuant to which the bonds are issued *shall* be available for any other
9 lawful purpose. *If* the bonds are secured *solely* by such a pledge of and lien
10 upon all *or* a portion of the revenue of the system, then *no* such bond and *no*
11 other obligation undertaken by the government under any indenture, lease *or*
12 other instrument relating to such bond *shall* be *or* become a lien, charge *or*
13 liability against the government of Guam *or* against the Department *or*
14 against any property *or* funds of the government of Guam *or* the
15 Department, *except* to the extent of the pledge of revenue of the system
16 provided by such indenture, lease *or* other instrument."

17 **Section 8.** A new §51822.5 of Article 8 of Chapter 51 of Title 10, Guam
18 Code Annotated, is hereby *added* to read as follows:

19 **"§51822.5. Bonds May be Secured by Section 30 Revenue.** *If* and
20 to the extent determined by *I Maga'lahaen Guåhan*, all *or* any part of the
21 revenues derived by the government of Guam under Section 30 of the
22 Organic Act (Section 30 revenue) may be pledged to secure the payment of
23 any bonds issued pursuant to this Article, subject to any previously created
24 lien on *or* pledge of such Section 30 revenue and to any parity lien created
25 pursuant to Article 9 of this Chapter. Any such pledge *shall* be valid and
26 binding against all parties in accordance with its terms and have priority
27 against all parties in accordance with its terms from the time the pledge is

1 made, and property so pledged *shall* immediately be subject to the lien of the
2 pledge without the need for physical delivery, recordation, filing, *or* other
3 further act. The pledge *shall not* be subject to Division 9 of Title 13 of the
4 Guam Code Annotated *or* any successor statute. The Section 30 revenue
5 pledged and thereafter received by the government of Guam *or* by any
6 trustee, depository *or* custodian *shall* be deposited in accordance with the
7 provisions of the applicable indenture *or, if not* otherwise provided for in
8 such indenture, in a separate subaccount of the Revenue Account in the
9 Solid Waste Operations Fund. The indenture by which such pledge is
10 created need *not* be recorded. All Section 30 revenue so pledged is hereby
11 appropriated for the purpose for which it has been pledged. Pledged Section
12 30 revenue released from the lien of the indenture *or* certificate pursuant to
13 which the bonds are issued *shall* be available for appropriation for any other
14 lawful purpose of the government. Indebtedness issued by the government
15 pursuant to this Article and that is payable from Section 30 revenue may *not*
16 be issued in an amount that would cause a violation of the debt limitation
17 provisions of Section 11 of the Organic Act."

18 **Section 9.** §51833 of Article 8 of Chapter 51 of Title 10, Guam Code
19 Annotated, is hereby *amended* to read as follows:

20 "§51833. **Revenue Account.** All revenue of the system and, to the
21 extent provided by an indenture *or* by Article 9 of this Chapter, the Section
22 30 revenue, *shall* be deposited to the credit of the applicable subaccount of
23 the Revenue Account, which account is hereby created within the Solid
24 Waste Operations Fund. The money in such subaccounts may be used for
25 any of the following purposes in the order of priority set forth in any
26 indenture as provided in Title 10, Guam Code Annotated, §51811(j) *or* any
27 lease *or* lease-back as provided in Article 9 of this Chapter:

1 (a) to pay principal *or* interest on any bonds *or* any other
2 obligations of the Department;

3 (b) to pay amounts due and owing under any lease *or* lease-
4 back entered into pursuant to Article 9 of this Chapter;

5 (c) to pay any amounts due and owing under any credit
6 provider reimbursement agreement;

7 (d) to pay the annual system operation and maintenance
8 costs; and

9 (e) for any other purposes of the system, as provided in any
10 indenture *or* indentures and subject to any restrictions provided by law
11 *or* any indenture."

12 **Section 10.** §51837 of Article 8 of Chapter 51 of Title 10, Guam Code
13 Annotated, is hereby *amended* to read as follows:

14 "**§51837. Credit Enhancement.** *I Maga'lahaen Guåhan* is hereby
15 authorized to enter into such contracts *or* agreements, on behalf of the
16 government, with such banks, insurance companies *or* other financial
17 institutions as *I Maga'lahaen Guåhan* determines are necessary *or* desirable
18 to improve the security and marketability of the bonds. Such contracts *or*
19 agreements may contain an obligation to reimburse, with interest, any such
20 banks, insurance companies *or* other financial institutions for advances used
21 to pay principal of *or* interest on the bonds and to indemnify any such banks,
22 insurance companies *or* other financial institutions for costs and expenses
23 incurred in connection with any such advance. Any such reimbursement
24 obligation and any other obligations of the government under such contracts
25 *or* agreements *may* be secured by a pledge of pledged revenue, but *only if*
26 and to the extent that such revenue has been pledged to the bonds. In the
27 event that the bonds *shall* constitute the valid and binding general

1 obligations of the government pursuant to Title 10, Guam Code Annotated,
2 §51823, any such reimbursement obligations *shall* be general obligations of
3 the government of Guam and any such advance, *if necessary, shall* be treated
4 for Organic Act purposes as creating an obligation issued to refund the
5 bonds.

6 Any reimbursement agreement may include a provision that the
7 obligations of the government under the agreement *shall* be secured by all *or*
8 by part of pledged revenue; provided that, at the time of execution and
9 delivery of each such agreement, any such provision *shall* be in compliance
10 with and *shall not* violate *or* breach any provision of any indenture, lease *or*
11 other instrument then in effect to which the government *or* the Department is
12 a party."

13 **Section 11. Approval of Government of Guam Solid Waste**
14 **Management System Bonds.** *I Liheslaturan Guåhan*, pursuant to §50103 of
15 Title 12, Guam Code Annotated, and §51803 of Title 10, Guam Code Annotated,
16 hereby approves the issuance and sale by the government of bonds pursuant to
17 Article 8, Chapter 51, Title 10, Guam Code Annotated (the Act), in one (1) *or*
18 more series *or* issues (together with any related reimbursement obligations);
19 *provided* that the issuance, terms and conditions of the bonds, the indenture *or*
20 certificate pursuant to which the bonds are to be issued, and any reimbursement
21 agreements *shall* have been approved by the Guam Public Utilities Commission,
22 and *further provided* that such bonds *shall* have, together with any lease-back
23 obligations issued pursuant to Article 9, Chapter 51, Title 10, Guam Code
24 Annotated, an aggregate principal amount *not to exceed* Two Hundred Two
25 Million Four Hundred Twenty-five Thousand Dollars (\$202,425,000). Such bonds
26 *shall* be issued *solely* to pay, *or* reimburse the government for the payment of, the
27 costs of the closure of the Ordot Dump and the construction of the new landfill, *or*

1 to refund any other *prior* obligations of the government issued for any of such
2 system purposes, to fund any necessary reserves relating to such bonds, to pay
3 costs of issuance of such bonds, *or* for any combination of such system purposes
4 for which bonds may be issued and secured as provided in this Article. Such
5 bonds *shall* have a final maturity *not later than* 2042, *shall* bear interest at such
6 rate *or* rates and *shall* be sold for such price *or* prices as *shall* result in a yield to
7 the bondholders *not exceeding* nine percent (9%) per annum, and *shall* be issued
8 and sold in the manner, for the purposes and subject to the requirements and
9 limitations provided in Article 8, Chapter 51, Title 10, Guam Code Annotated.

10 This approval is intended to *supersede* and *replace* the approval, contained
11 in Section 3 of Public Law 30-1, by *I Liheslaturan Guåhan* of the issuance and sale
12 by the government of bonds pursuant to Article 8, Chapter 51, Title 10, Guam
13 Code Annotated, as enacted by said Public Law 30-1, which prior approval is
14 hereby *repealed*.

15 **Section 12. Amendment of Provisions Relative to the Valuation of**
16 **Property Subject to Real Property Taxation.**

17 (a) §24102(f) of Article 1, Chapter 24, Division 2 of Title 11, Guam
18 Code Annotated, is hereby *amended* to read as follows:

19 “(f) *Value, full cash value, fair market value, and cash value*
20 means ninety percent (90%) of the appraised value; *appraised value*
21 means the amount at which property would be taken in payment of a
22 just debt from a solvent debtor as determined by the last completed
23 valuation conducted pursuant to §24306, Title 11, Guam Code
24 Annotated, as amended by the annual adjustments mandated in this
25 Chapter.”

26 (b) §24103 of Article 1, Chapter 24, Division 2 of Title 11, Guam
27 Code Annotated, is hereby *amended* to read as follows:

1 "§24103. Levy. There is hereby levied on all land property in
2 Guam a yearly tax at the rate of seven-seventy seconds (7/72%) of the
3 value thereof and seven-eightieths percent (7/18%) of the value of
4 the improvements thereon. Such tax shall be assessed and collected in
5 the manner prescribed in this Chapter. All proceeds derived by the
6 government under any provision of this Chapter *shall* be deposited in
7 the Treasury of Guam to the credit of the General Fund."

8 **Section 13.** §1512.1(c) of Article 5 of Chapter 1 of Title 5, Guam Code
9 Annotated, is hereby *amended* to read as follows:

10 "§1512.1(c). (i) Valid and Binding. The bonds authorized by this
11 Section *shall* constitute the valid and legally binding general *or* limited
12 obligations of the government of Guam. The government of Guam pledges
13 its full faith and credit for the punctual payment of both principal of and
14 interest on the bonds and covenants that there *shall* be collected annually in
15 the same manner and at the same time as government revenue for other
16 purposes is collected, such sum as is required to pay the principal of and
17 interest on the bonds. There are hereby appropriated from the General Fund
18 such sums as may be necessary in each year to equal the amount of money
19 necessary to pay the principal and interest on such bonds. The certificate *or*
20 indenture *shall* require interest only payments for Fiscal Years 2009 and
21 2010 and *shall not* require bond principal payments until after such Fiscal
22 Years. All officers charged by law with any duty in the collection of the
23 revenues of the government from which debt service on the bonds will be
24 payable *shall* do every lawful thing necessary to collect such sum. The
25 validity of any such bonds *shall not* be affected by the validity *or* regularity
26 of any proceedings for the payment of the General Fund expenses paid *or* to
27 be paid with the proceeds of the bonds.

1 (ii) Pledge of Section 30 Revenues. *All or* any part of the revenues
2 derived by the government of Guam under Section 30 of the Organic Act
3 may be pledged to secure the repayment of any bonds issued pursuant to this
4 Section and pay costs incurred in the creation of such debts, subject to any
5 previously created lien on *or* pledge of such revenues. Any pledge made to
6 secure the bonds *shall* be valid and binding from the time the pledge is
7 made. The revenues pledged and thereafter received by the government of
8 Guam *or* by any trustee, depository *or* custodian *shall* be deposited in a
9 separate account and *shall* be immediately subject to the lien of such pledge
10 without physical delivery thereof *or* further act, and the lien of such pledge
11 *shall* be valid and binding against all parties having claims of any kind in
12 tort, contract *or* otherwise, against the government of Guam, such trustee,
13 depository *or* custodian, irrespective of whether the parties have notice
14 thereof. The certificate *or* indenture by which such pledge is created need
15 not be recorded. All revenues pledged are hereby continuously appropriated
16 for the purpose for which they have been pledged.”

17 **Section 14.** §1512.1(i) of Article 5 of Chapter 1 of Title 5, Guam Code
18 Annotated, is hereby *amended* to read as follows:

19 “(i) Use of Proceeds from the Sale of the Bonds. The proceeds from
20 the sale of the bonds *shall* be used and are hereby appropriated to (i) pay the
21 General Fund expenses described below in this Subsection; (ii) establish
22 necessary reserves; (iii) pay expenses relating to the authorization, sale and
23 issuance of the bonds, including, without limitation, printing costs, costs of
24 reproducing documents, credit enhancement fees, underwriting, legal,
25 financial advisory and accounting fees and charges, fees paid to banks *or*
26 other financial institutions providing credit enhancement, costs of credit
27 ratings and other costs, charges and fees in connection with the issuance,

1 sale and delivery of the bonds; and (iv) fund capitalized interest on the bonds
2 for a period ending *not later than* thirty (30) months after their issuance.
3 The General Fund expenses authorized to be paid with the proceeds of the
4 bonds are as follows and *shall* be paid in the following order of priority:

5 (1) Cost of Living Adjustment (COLA) to discharge finally
6 and permanently the obligations of the government incurred pursuant
7 to the settlement agreement entered into between the Government of
8 Guam and the COLA Class as ordered by the Judgment in Rios v.
9 Camacho, Superior Court Case No. SP0206-93: \$92,000,000;

10 (2) 2006 and prior year individual and corporate tax refunds
11 including interest, *if any*, thereon and individual tax refunds *shall* be
12 paid first: \$112,000,000;

13 (3) Health Care Capital Improvement Projects at the Guam
14 Memorial Hospital: \$11,000,000;

15 (4) amounts past due as contributions to the Government of
16 Guam Retirement Fund, including interest, *if any*, thereon, on behalf
17 of the following:

18 (a) Guam Memorial Hospital: \$10,953,216

19 (b) Guam Public School System: \$10,867,640

20 Total \$236,820,856

21 Payments made pursuant to this Subsection *shall* apply to any other
22 appropriations for the same items and *shall not* constitute double
23 appropriations.”

24 **Section 15.** §1512.1(b) of Article 5 of Chapter 1 of Title 5, Guam Code
25 Annotated, is hereby *amended* to read as follows:

26 **“§1512.1 (b) Terms and Conditions Determined by Certificate or**
27 **Indenture.** The terms and conditions of the bonds *shall* be as determined by *I*

1 *Maga'lahaen Guåhan*, and approved by *I Liheslaturan Guåhan*, by the execution of
2 a certificate *or* indenture authorizing the issuance of the bonds prior to the issuance
3 of the bonds; provided, however, that such terms and conditions *shall* be consistent
4 with this Section, and that the bonds *shall* mature *not later than* the date thirty (30)
5 years after their date of issuance and *shall* bear interest at such rates and be sold for
6 such price *or* prices as *shall* result in a yield to the bond holders that *does not*
7 *exceed* ten percent (10%) per annum.”

8 **Section 16. (a) Uses of Fees.** The Guam Economic Development Authority
9 *shall* remit all of the fees earned on any bond issue authorized in Article 8 *or*
10 Article 9 of Chapter 51 of Title 10, Guam Code Annotated to be deposited into the
11 cash account that disburses income tax refunds.

12 **(b) Authorization to the Department of Revenue and Taxation.** The
13 Department of Revenue and Taxation is hereby authorized to disburse funds
14 generated from this Section for the *sole* purpose of paying tax refunds to persons
15 with medical emergencies *or* funeral related expenses.

16 **Section 17. Severability.** *If* any provision of this Act *or* its application to
17 any person *or* circumstance is found to be invalid *or* contrary to law, such
18 invalidity *shall not* affect other provisions *or* applications of this Act which can be
19 given effect without the invalid provisions *or* application, and to this end the
20 provisions of this Act are severable.