

FILE COPY

**I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session**

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

This is to certify that Substitute Bill No. 1 (LS), "AN ACT TO AUTHORIZE TAX CREDITS TO THE LESSORS OF THE TEMPORARY LOCATION OF THE JOHN F. KENNEDY (JFK) HIGH SCHOOL CAMPUS," was on the 25th day of June 2009, duly and regularly passed.

Attested:

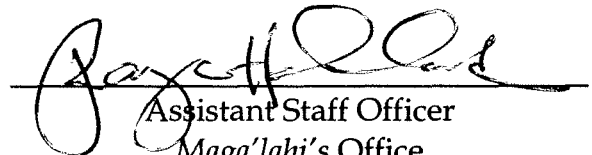


Tina Rose Muña Barnes
Legislative Secretary



Judith T. Won Pat, Ed. D.
Speaker

This Act was received by *I Maga'lahaen Guåhan* this 25th day of June, 2009, at
800 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 1 (LS)

As substituted by the Committee on Appropriations,
Taxation, Banking, Insurance, Retirement,
and Land, further substituted by the Author, and
amended in the Committee of the Whole.

Introduced by:

Judith T. Won Pat, Ed.D.
T. C. Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
v. c. pangelinan
Adolpho B. Palacios, Sr.
M. J. Rector
R. J. Respicio
Telo Taitague
Ray Tenorio

**AN ACT TO AUTHORIZE TAX CREDITS TO THE
LESSORS OF THE TEMPORARY LOCATION OF
THE JOHN F. KENNEDY (JFK) HIGH SCHOOL
CAMPUS.**

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

2 **Section 1. Legislative Findings and Intent.** The closing of John F. Kennedy
3 (JFK) High School, due to disrepair, old age, poor maintenance, and the lack of
4 upkeep of the campus, has displaced its students, faculty and staff. Temporarily, JFK
5 High School has been sharing campuses in a double-session schedule with George
6 Washington (GW) High School, and *I Liheslaturan Guåhan* finds this to be a very

1 unconducive environment that hinders the work production of our teachers and the
2 education of our students. *I Liheslatura* has taken all measures to make sure efforts to
3 rebuild the JFK High School campus in upper Tumon will be completed! But until
4 such completion of the construction, the JFK High School community will still be
5 displaced.

6 *I Liheslatura* further finds that the government of Guam is financially strapped
7 and may *not* be able to afford payments for a lease to temporarily house the JFK High
8 School community while construction is being conducted on the new permanent
9 campus. It is, therefore, the intent of *I Liheslatura* to authorize tax credits to a lessor
10 who is willing to provide for property and a facility conducive for a school
11 environment for JFK High School free of charge.

12 **Section 2. Definitions.** As used in this Act, the term

13 (a) *Government of Guam shall* mean the government of Guam, its
14 agencies, divisions, and departments.

15 (b) *Lease shall* mean the contract between the *Lessor* and the
16 Government of Guam for the lease and maintenance of Interim Facilities
17 for JFK High School and the purchase of Collateral Equipment.

18 (c) *Lessor shall* mean the party who has been selected by *I Maga'lahen*
19 *Guåhan* for the lease and maintenance of Interim Facilities for JFK High
20 School and the purchase of Collateral Equipment. *Lessor*, as used in this
21 Act, *shall* also mean and include any assignee *or* transferee of the rights,
22 credits and off-sets as allowed in this Act.

23 **Section 3. Payment of Lease Expenses.** In lieu of any cash payment from
24 the government of Guam to the Lessor for lease expenses, the government is
25 authorized to issue tax credits. The tax credits authorized under this Act *shall* be
26 permitted as follows:

1 (a) The Lessor may utilize tax credits for the lease payments against
2 Business Privilege Taxes, as contained within Chapter 26, Title 11 of the Guam
3 Code Annotated.

4 (b) The parties or persons entitled to utilize the credits as set forth in this Act
5 *shall* be as follows:

6 (1) *If* the Lessor is a corporation, then the Lessor and any shareholder
7 owning or holding a minimum of five percent (5%) in the corporation
8 *shall* also have the right to use the credits.

9 (2) *If* the Lessor is a partnership, then all the partners *shall* have the
10 right to use the credits. *If* a partner is a corporation, then the rights as set
11 forth above concerning corporations *shall* apply to the corporation and its
12 shareholders.

13 (3) *If* the Lessor is a person or persons, then such rights *shall* apply to
14 a person or persons.

15 (c) The tax credit authorized herein *shall* be freely assignable and
16 transferable to any party, company, partnership or corporation. The assignment
17 and transfer may be by gift or may be for legal consideration. Any assignment
18 and/or transfer *shall* be in writing, notarized, and an original thereof *shall* be
19 filed with the Guam Economic Development Agency (GEDA), with a copy to
20 the Department of Revenue and Taxation.

21 **Section 4. Appropriation.** Notwithstanding any provision of Law, *I*
22 *Liheslaturan Guåhan* hereby appropriates to the Office of *I Maga'lahren Guåhan* a
23 total of Eight Million Four Hundred Thirty-eight Thousand Dollars (\$8,438,000) from
24 the General Fund as a result of the Administration's decision to withhold income tax
25 from COLA payments for the following:

26 (a) Three Million Nine Hundred Forty-four Thousand Dollars (\$3,944,000)

1 to be used for collateral equipment necessary for the interim JFK Facilities
2 pursuant to IFB No: GSA-025-09, which equipment *shall* be transferred to JFK
3 upon completion of its permanent campus;

4 (b) Four Million Four Hundred Ninety-four Thousand Dollars (\$4,494,000)
5 to be used as payment for a one (1)-year contractual agreement for a temporary
6 school facility for the interim JFK Facilities pursuant to IFB No: GSA-025-09,
7 with the option to renew said lease on an annual basis, subject to the availability
8 of funds;

9 (c) This appropriation shall *not* be subject to transfer authority of *I Maga'lahi*
10 and *shall* be utilized solely for the purposes herein.

11 **Section 5. Report.** The Guam Economic Development Agency (GEDA)
12 *shall* submit an annual report to *I Liheslaturan Guåhan* detailing the impact of this
13 Act on the Business Privilege Taxes, until the amount of the tax credit is fully
14 exhausted.

15 **Section 6. Inclusion in *I Maga'lahi's* Annual Budget Request.** *I*
16 *Maga'lahaen Guåhan shall*, in each fiscal year's budget submission to *I Liheslatura*,
17 account for the annual amount of tax credits, rebates and offsets used for the purposes
18 stated in this Act.

19 **Section 7. Severability.** *If* any provision of this Law or its application to any
20 person or circumstance is found to be invalid or contrary to law, such invalidity shall
21 *not* affect other provisions or applications of this Law which can be given effect
22 without the invalid provisions or application, and to this end the provisions of this
23 Law are severable.