

FILE COPY

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

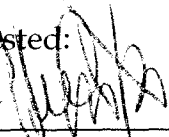
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 479-30 (COR), "AN ACT TO AMEND SUBSECTION (s) OF §80109, CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS", was on the 30th day of November 2010, duly and regularly passed.



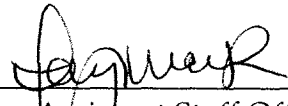
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 1st day of DEC, 2010, at 1100 o'clock A.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
2010 (SECOND) Regular Session

Bill No. 479-30 (COR)

As substituted by Committee on Economic Development,
Health & Human Services and Judiciary, and amended
on the Floor.

Introduced by:

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

**AN ACT TO *AMEND* SUBSECTION (s) OF §80109,
CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE
ANNOTATED, RELATIVE TO EXPANDING THE
BORROWING ABILITY OF THE GUAM MEMORIAL
HOSPITAL AUTHORITY BY INCLUDING THE
AUTHORIZATION TO ALSO ENTER INTO
REVOLVING LOAN FUNDS, AND DIRECT LOANS.**

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

2 **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that the
3 authorization for the Guam Memorial Hospital Authority (GMHA) to only enter

1 into a line of credit, as provided pursuant to Subsection (s) of §80109, Chapter 80,
2 Division 4, Title 10, Guam Code Annotated, is *too* restrictive. And, so as to
3 further broaden the scope of borrowing options available, *I Liheslaturan Guåhan*
4 finds it appropriate to additionally authorize GMHA the borrowing alternatives of
5 entering into the establishment of a revolving loan fund, and/or a direct loan.

6 Further, *I Liheslaturan Guåhan* finds it appropriate to provide for a waiver
7 wherein the government of Guam waives immunity from any suit or action in
8 contract upon the loan and guaranty. This provision is necessary to encourage the
9 participation of lending institutions by ensuring they can pursue the recovery of
10 funds loaned.

11 **Section 2.** Subsection (s) of §80109, Chapter 80, Division 4, Title 10,
12 Guam Code Annotated, is hereby *amended* to read:

13 “(s) Arrange a line of credit, a revolving loan fund, and/or a direct
14 loan, the total cumulative amount *not to exceed* Twenty-five Million Dollars
15 (\$25,000,000), with banks or other lending institutions licensed to do
16 business on Guam. All terms of the line of credit, a revolving loan fund,
17 and/or a direct loan agreement *shall* be negotiated by the Authority and *I*
18 *Maga’lahen Guåhan* [Governor] in the best interests of the people of Guam.
19 The terms of the line of credit, a revolving loan fund, and/or a direct loan
20 *shall* include the following:

21 (1) the line of credit, a revolving loan fund, and/or a direct
22 loan *shall* be used by the Authority when a cash shortage threatens the
23 operation of the Hospital, and provided that the loan *shall not* be used
24 for the hiring of non-health care professionals *not* involved with
25 providing direct patient care or patient care support;

26 (2) *no* charge *shall* be levied by a lender for making the loan;

1 (3) the interest rate *shall* be subjected to negotiation between
2 the Authority or designee as authorized by the Board of Trustees, *I*
3 *Maga'lahren Guåhan* and the lender; such interest rate *shall* be
4 computed on a monthly average and based on the actual amount
5 extended to the Authority; and

6 (4) interest earned by the lender *shall* be exempt from
7 taxation by the government of Guam.

8 (5) *I Maga'lahren Guåhan* is authorized to pledge funds
9 which Guam *shall* receive from the State Attorneys General Tobacco
10 Litigation, as provided by Public Law 24-174, or the General Fund, or
11 both funds in any combination, as a security for repayment of the
12 loan, in addition to any revenues which may be pledged by the
13 Authority. *I Maga'lahren Guåhan* and the Authority are hereby
14 authorized to execute the loan agreement, a revolving loan fund,
15 and/or a direct loan agreement and other necessary documentation.

16 (6) The line of credit authorized in this Act *shall not* be used
17 in the calculation for rate relief in any rate methodology for any rate
18 case before the Public Utilities Commission.

19 (7) The primary source of repayment for the line of credit,
20 revolving loan fund, and/or a direct loan *shall* be as authorized in
21 Public Law 30-196, Chapter III, Part I, Section 6(b) (the FY 2011
22 Budget Act). *If* required, the Authority may pledge, in addition, *only*
23 its revenues as a security for repayment as determined by the
24 negotiated agreement.

25 (8) Any money borrowed *shall* be repaid in accordance with
26 the terms established in the negotiated agreement, but *not to exceed* an
27 amortization period of *more than* twenty-five (25) years. In *no* case

1 *shall* any amount borrowed be refinanced permitting repayment *more*
2 *than* twenty-five (25) years after the loan is made.

3 (9) Notwithstanding the provisions of Chapter 6 of Title 5 of
4 the Guam Code Annotated, the government of Guam hereby waives
5 immunity from any suit or action in contract upon the loan and
6 guaranty but *does not* waive sovereign immunity as to the personal
7 liability of elected or appointed officials and employees of the
8 government Guam.”

9 **Section 3. Severability.** *If* any provision of this Act or the application
10 thereof to any person or circumstances is held invalid, such invalidity *shall not*
11 affect any other provision or application of this Act which can be given effect
12 without the invalid provision or application, and to this end the provisions of this
13 Act are severable.

14 **Section 4. Effective Date.** This Act *shall* become effective upon
15 enactment.