



# Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature



**MAY 20 2013**

The Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina'trentai Dos na Liheslaturan Guåhan*  
155 Hesler Place  
Hagatna, Guam 96910

VIA: The Honorable Rory J. Respicio  
Chairman  
Committee on Rules, Federal, Foreign & Micronesian Affairs,  
Human & Natural Resources, and Election Reform

**RE: Committee Report on Bill No. 59-32 (COR), As Amended by the Committee**

Dear Speaker Won Pat,

*Håfa adai!* Transmitted herewith is the committee report on Bill No. 59-32 (COR), as amended by the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations – “AN ACT TO *ADD* CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO *REPEAL* SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.”

Committee votes are as follows:

- 5 TO DO PASS
- \_\_\_\_\_ TO NOT PASS
- 3 TO REPORT OUT ONLY
- \_\_\_\_\_ TO ABSTAIN
- \_\_\_\_\_ TO PLACE IN INACTIVE FILE

2013 MAY 20 AM 10:42

Respectfully,

**MICHAEL F.Q. SAN NICOLAS**



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Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature

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## COMMITTEE REPORT

### **BILL NO. 59-32 (COR) AS AMENDED BY THE COMMITTEE**

### **AN ACT TO *ADD* CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO *REPEAL* SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.**



# Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature

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May 17, 2013

## MEMORANDUM

**TO:** All Members  
Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations

**RE:** **Committee Report on Bill No. 59-32 (COR), As Amended by the Committee**


*Håfa adai!* Transmitted herewith for your consideration is the Committee Report on Bill No. 59-32 (COR), as amended by the Committee – “AN ACT TO *ADD* CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO *REPEAL* SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.”

This report includes the following:

- Committee Voting Sheet
- Report Digest
- Copy of Bill No. 59-32 (COR), As Introduced
- Copy of Bill No. 59-32 (COR), As Amended
- Public Hearing Sign-in Sheet
- Copy of COR Referral of Bill No. 59-32 (COR)
- Request for Fiscal Note
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Public Testimony

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact my office.

Respectfully,

  
**MICHAEL F.Q. SAN NICOLAS**



# Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature



## COMMITTEE VOTING SHEET

**Bill No. 59-32 (COR), as Amended by the Committee – “AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.”**

	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Michael F.Q. San Nicolas Chairman	 5/20/13			✓		
Senator Thomas C. Ada Vice Chairman				✓		
Speaker Judith T. Won Pat, Ed.D. Member						
Vice Speaker Benjamin J.F. Cruz Member		✓ 5/20/13				
Senator Tina Rose Muña Barnes Member		✓				
Senator Vicente C. Pangelinan Member		✓				
Senator Rory J. Respicio Member		✓ 5/20/13				
Senator V. Anthony Ada Member		✓ 5/20/13				
Senator Aline A. Yamashita, Ph.D. Member				5/20/13 ✓		



# Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
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## COMMITTEE REPORT DIGEST

### I. OVERVIEW

Bill No. 59-32 (COR) was introduced on March 1, 2013 by Senator Vicente C. Pangelinan. The bill was subsequently referred by the Committee on Rules to the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations on March 4, 2013.

The Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations convened a public hearing on March 19, 2013 at 10:06 a.m. in *I Liheslatura's* Public Hearing Room. Among the items on the hearing agenda was Bill No. 59-32 (COR). The hearing was adjourned at 10:37 a.m.

#### Public Notice Requirements

Public Hearing notices were disseminated via electronic mail to all senators and all main media broadcasting outlets on March 11, 2013, and on March 15, 2013.

#### Senators Present

Senator Michael F.Q. San Nicolas, Chairman  
Vice Speaker Benjamin J. Cruz, Committee Member  
Senator Vicente C. Pangelinan, Committee Member

#### Public Testimony

Artemio Illagan, Banking and Insurance Commissioner  
David John, President, ASC Trust Corporation

#### Written Testimony

Artemio Illagan, Banking and Insurance Commissioner  
David John, President, ASC Trust Corporation  
William D. Leon Guerrero, Executive Vice President and Chief Operating Officer, Bank of Guam

### II. TESTIMONY & DISCUSSION

**Chairman Michael San Nicolas:** We'll begin with Bill 59-32 and I will yield to the author, Speaker Ben Pangelinan.

**Senator Vicente Pangelinan:** Thank you and *Si Yu'os Ma'åse*, Mister Chairman. Bill 59-32 is an act that will allow the formation of collective investments funds within the financial industry on Guam. The intent of the legislation is that we have a growing number of companies and financial services organizations on Guam that are beginning to manage investments of retirement funds, pension plans, profit sharing, stock bonuses and distributions within our local community. Legislation that allows for the management of these funds, and the reporting and handling of these funds by the financial institutions, is something that is being desired by these financial institutions to ensure that they comply with local law with regards to reporting requirements. It is made clear, in the establishment of these funds, the rights of the individuals

as well as the institutions that present their money to these financial management firms for managing these investment trust funds, that individuals and companies will have the assets of the funds to meet its obligations for distribution when the members of the fund retire. At the behest of some of these financial institutions, we began working on the legislation to outline local legislation to be a companion to federal legislation for the management of these funds that clearly outline the expectations, the investment philosophies, and the fees and expenses of these funds to ensure that those who present their money for management to these firms understand their rights and the associated costs. Also, it ensures that the members of the fund and those who accept the money on this understand what their duties are to these institutions and to these members. That is the intent of this legislation and it outlines the rights and the interests of both the investment managers and the members of the funds whose monies are being managed by these investment managers. Thank you very much.

**Chairman San Nicolas:** Thank you, Mister Speaker. We do have two individuals who have signed up who wish to provide oral testimony. They have also submitted written testimony. I would like to invite up Mister Art Illagan and Mister David John. Normally, we have individuals testify based on the order they signed up but I understand, Mister Illagan, that you are here on behalf of the government and, Mister John, you are here as an interested private citizen. Did any of you wish to yield to the other to testify first because sometimes you want to hear the regulatory side before your own testimony? Okay. Mister Illagan.

**Mr. Artemio Illagan:** I am in favor of Bill 59-32. Our office has reviewed Bill 59-32. In substance, this bill incorporates the provisions of the Collective Investment Funds as set forth in 12 Code of Federal Regulations (CFR) 9.18. A collective investment fund (“CIF”) is a bank-administered trust that holds commingled assets that meet specific criteria established by 12 CFR 9.18. The commingled assets in the CIF generally include assets of retirement, pension, profit sharing, stock bonus or other trusts that are exempt from the federal income tax, which is the Guam territorial income tax. The bank acts as a fiduciary for the CIF and holds legal title to the fund’s assets. Each person or trust that places money into the CIF is given a specific percentage in relation to the total amount contributed into the CIF. The CIFs allow banks to avoid costly purchases of small lot investments for their smaller fiduciary accounts. For this reason, a CIF translates to lower administrative costs for each trusts or persons that invest in the CIF. To protect the investors into the CIF, a financial institution is required to establish and maintain a written plan. This plan must be approved by resolution of the board of directors. The plan can be executed by the board of directors or by a committee authorized by the board. In general, this act will enable each chartered territorial bank in Guam, a federally chartered savings and loan association, and a trust company organized under Guam-Based Trust Companies Act to provide the services of a CIF in a fiduciary capacity. It is our hope that each financial institution shall look into the staff and technical requirements to establish and operate a CIF and provide benefits to the consumers of Guam. Lastly, there appears to be a typographical error in the citation used into the definition of a “Plan.” As defined in Bill 59-32, Section 162101(i), “plan” means the written plan for a fund described in Section 162104. I believe this a typographical error and should read Section 162103. The section that contains the provisions for a written plan is found in Section 162103. In closing, I am in favor of Bill 59-32.

**Chairman San Nicolas:** Thank you, Mister Illagan. Do any Senators on the panel have questions for Mister Illagan? If not, Mr. John.

**Mr. David John:** Good morning, Mister Chair and the Committee. I would like to thank you for your time and allowing me the opportunity to testify before your committee. I am here to testify in support of Bill 59-32. I represent ASC Trust Corporation, a local retirement plan provider. ASC has been servicing retirement plans on Guam for over twenty years. We currently represent approximately 300 retirement plans with an estimated 19,000 participants and over \$400 million under management. My comments will be brief in order to allow enough time to answer your questions. The bill will allow our company, and

companies like us, to offer collective investment trusts to our retirement clients. A collective investment trust is designed specifically to help manage money for qualified retirement plans in a cost effective manner and also in a structured manner, which is one of the things we really want to make sure is there so that the appropriate audits can be done and that we have a structure for everything that is flowing through. A CIT would provide us another tool to help participants properly plan for a successful retirement. The key word is successful. Most of us have some sort of retirement account. However, how many of us are confident enough that we will have enough for our family's finances when we retire? Today's workers can expect to live 20-30 years in retirement in a time when the future of government safety nets such as Social Security and the government qualified plans are in question. We only look to the north to see what can happen if proper planning is not put in place and monitored. With this, it is becoming more and more important for individuals to create their own safety net. CITs will provide an additional tool to help us design proper asset allocation programs for our members to better their chances for a successful retirement. CITs are not new; they have been around for decades. However, they have become more popular since the Pension Protection Act of 2006 allowed these programs to be default investment options on DC plans. I urge you to pass this bill to provide opportunities to our financial services industry so that we can work together to develop products to help create a successful retirement system for our workers. Again, I would like to thank you for your time and would welcome any questions you might have.

**Chairman San Nicolas:** Thank you, Mister John. Do any Senators on the panel have any questions for Mister John?

**Senator Pangelinan:** No. I just want to thank Mister John for his input on the bill. As I mentioned, we have been working with some of the financial institutions on the island to try and get this program into place to benefit the beneficiaries of these pension plans. It lowers investment costs and it allows greater flexibility for the establishment of these funds, plus the protection for both the financial institution providing the service as well as the members of the investment accounts turned over for management by these institutions. So, we thank him for his input.

**Chairman San Nicolas:** Thank you, Mister Speaker. I did have one question for Mister Illagan concerning the regulatory aspects of the bill. I understand that the particular branch that you have purview over has lots of challenges. I wanted to ask whether or not you are confident that your department will be able to thoroughly look to these provisions and make sure that the regulatory aspect is being taken care of.

**Mr. Illagan:** It is important that we do this because it is a trust fund. We have a staff of five and we also administer other duties – UCC, the insurance, banking, real estate. We had our board meeting last Thursday and the Board was concerned about too much work and not enough people. In the past, there was a fund for the insurance and banking – a special fund that was removed a few years ago because it was listed as one of the accounts that weren't necessary. Our fund comes out of the Rev and Tax fund which at times I had to argue and fight with [Director] John Camacho for funding. One of those times was back in September, when the year was closing, and we wanted to have a board meeting and there wasn't enough money in the fund so we couldn't hold a meeting because we couldn't advertise that there was going to be a Banking Board meeting. That is an issue and I think that the special fund should be reinstated. Based on what we receive for insurance and banking and all the regulatory fees that we charge, we should set those aside for a special fund for the operations of insurance and banking.

**Chairman San Nicolas:** Do you guys have the resources to go out and do regular inspections of all these mandates as they apply to the companies, investment plans, the insurance companies – the realistic companies?

**Mr. Illagan:** At the moment, we don't have that many. What we do for the insurance side, we hire an auditor to come in and look at the insurance companies to see if they're complying. What they do is charge that cost to the insurance companies. With banking, we go with the FDIC when they come in. When there are enough personnel, we use that person to go with the FDIC auditors.

**Chairman San Nicolas:** But the agency isn't doing its own regulatory practices or spot checks?

**Mr. Illagan:** We don't have the staff.

**Chairman San Nicolas:** So you guys don't have anyone who is licensed on the staff to be able to go out and do these kinds of inspections and regulatory reviews?

**Mr. Illagan:** No. They're employees.

**Chairman San Nicolas:** If possible, could you please provide the Committee with a wish list of what you think you might need if you were going to properly go out and doing these regulatory inspections – in terms of personnel, resources? That way, we can make sure on the agency side that you guys are given the tools to make sure that all these things are being complied with as they are being mandated.

**Mr. Illagan:** We will do that sir.

**Chairman San Nicolas:** My other question was regarding the... it is noted here that the rules and regulations will be promulgated in accordance with what is outlined by the Office of the Comptroller of Currency. One of the things that I've noted as a challenge is that when you have these investment practices being done by banks that are regulated by FDIC, there is supposed to be a uniform-type of regulatory review determined by either FDIC or FINRA, one of the two regulatory bodies. I just wanted to get clarification: is it going to be the comptroller of currency? Is it going to be FDIC? Or is it going to be FINRA that will be looking at these individual collective investment trusts? Who is the agency going to be soliciting on the federal side to be coming in and looking at these and making sure they're compliant with the federal regulations?

**Mr. Illagan:** On the banking side, it is usually the FDIC. This is the first time this law has been enacted. We need to look and see which agency would come in and regulate this industry.

**Chairman San Nicolas:** Okay. Does anyone else have any questions?

**Mr. John:** I just wanted to point out that one of the big reasons behind why we would like to see this is that it would create the structure for... one of the audits that come into place with it is an annual surprise audit that comes along with this, it's just one more level of review from our side. From an audit standpoint, it brings one more level of structure to it.

**Mr. Illagan:** One of the requirements is a qualified audit, which means by a CPA. At our Banking Board meetings, there is this issue with outside ATMs and regulation of that. In the law, it says just an audit and not a qualified audit. In the industry of ATMs, you're swiping your life away, you're giving your identity away, and it needs to be more regulated than it is now. Maybe we should look at that law.

**Chairman San Nicolas:** Thank you, gentlemen. Vice Speaker Cruz.

**Vice Speaker Cruz:** When the Chairman was asking the question (*inaudible*)...



**Mr. Hagan:** The way we do it in the insurance industry is that we set-up a schedule for them to be audited. We set-up a company that would come in and look at this investment trust or funds, do an audit and report to their board and Rev and Tax the same way that the insurance company does.

**Chairman San Nicolas:** Thank you. I would like to provide an opportunity for the author of the legislation to close if he would like to. This will conclude the hearing on Bill 59-32.

### **III. FINDINGS AND RECOMMENDATIONS**

A technical amendment was necessary to correct an error in Bill No. 59-32 (COR), as introduced, and an amended version of the bill has been introduced by the Committee to reflect said correction. The amendment is found on page 2, line 21 of the bill, as amended.

The Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations hereby reports out Bill No. 59-32(COR), as amended by the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations, with the recommendation TO DO PASS.

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) REGULAR SESSION

2013 MAR - 1 PM 3:14

Bill No. 59-32(OR)

Introduced by:

V.C. Pangelinan

AN ACT TO *ADD* CHAPTER 162 TO TITLE 11 OF THE  
GUAM CODE ANNOTATED, RELATIVE TO  
ESTABLISHING THE COLLECTIVE INVESTMENT  
FUNDS ACT, AND TO *REPEAL* SECTION 106155 OF  
CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 SECTION 1. Chapter 162 is hereby *added* to Title 11 of the Guam Code  
2 Annotated to read as follows:

3 "CHAPTER 162

4 Collective Investment Funds Act

5 § 162101. Definitions.

6 § 162102. Establishment of Collective Investment Funds.

7 § 162103. Plans for Operation of Funds.

8 § 162104. Management of the Fund.

9 § 162105. Internal Controls.

10 § 162106. Rights and Interests of Participating Accounts and Contributors to  
11 the Participating Accounts.

12 § 162107. Interests of a Financial Institution,

13 § 162108. Annual Financial Reports.

14 § 162109. Management Fees.

15 § 162110. Mistakes in administration of funds.

1           **§ 162101. Definitions.** As used in this chapter, unless the context otherwise  
2 requires:

3           (a) "*Collective investment fund*" means a fund maintained by a financial  
4 institution that consists solely of assets of retirement, pension, profit sharing, stock  
5 bonus or other trusts that are exempt from federal income tax.

6           (b) "*Commissioner*" means the Commissioner of Banking and Insurance,  
7 appointed under Title 11, Section 103102 of the Guam Code Annotated.

8           (e) "*Fiduciary*" means a financial institution or other person acting in the  
9 capacity of guardian, conservator, personal representative, or trustee, either solely or  
10 together with others, or custodian under a uniform gifts or transfer to minors act of  
11 any state or territory.

12           (f) "*Financial institution*" means a territorial bank, a state bank, a national  
13 bank, a state or federally chartered savings and loan association, or a trust company  
14 under the Guam-Based Trust Companies Act that, in each case, is authorized to act in  
15 a fiduciary capacity in Guam.

16           (g) "*Fund*" means a collective investment fund.

17           (h) "*Participating Account*" means a trust or other fiduciary account that has  
18 contributed assets to a collective investment fund.

19           (i) "*Plan*" means the written plan for a fund described in Section 162104.

20           **§ 162102. Establishment of Collective Investment Funds.** A financial  
21 institution may establish and maintain collective investment funds for the investment  
22 of assets of retirement, pension, profit sharing, stock bonus or other trusts that are  
23 exempt from federal income tax and may invest assets of retirement, pension, profit  
24 sharing, stock bonus, or other employee benefit trusts exempt from federal income  
25 tax and that the financial institution holds in any capacity (including agent) in such  
26 collective investment funds.

1           **§ 162103. Written Plan.**

2           (a) A financial institution shall establish and maintain a fund in accordance  
3 with a written plan approved by resolution by the board of directors of the financial  
4 institution or by a committee authorized by the board. The plan's provisions shall be  
5 consistent with the provisions of this chapter, as well as the rules and regulations of  
6 the Office of the Comptroller of the Currency, 12 C.F.R. § 9.18 (or any successor  
7 provision), and such rules and regulations as may from time to time be promulgated  
8 by the Commissioner, to the extent that such respective rules and regulations are not  
9 inconsistent with the provisions of this chapter.

10          (b) The plan shall contain appropriate provisions as to the manner in which  
11 the financial institution will operate the fund, including, but not limited to, provisions  
12 relating to all of the following:

- 13           (1) Investment powers and policies with respect to the fund;
- 14           (2) Allocation of income, profits, and losses;
- 15           (3) Fees and expenses that will be charged to the fund and to  
16 participating accounts and the individuals contributing to the participating  
17 accounts;
- 18           (4) Terms and conditions governing the admission and withdrawal of  
19 participating accounts;
- 20           (5) Audits of participating accounts;
- 21           (6) Basis and method of valuing assets in the fund;
- 22           (7) Expected frequency of income distribution from the fund to  
23 participating accounts;
- 24           (8) Minimum frequency of valuation of fund assets;
- 25           (9) Amount of time following a valuation date in which a valuation of  
26 fund assets must be made;

1 (10) Bases upon which the financial institution may terminate the funds;

2 (11) Any other matters necessary to define clearly the rights of  
3 participating accounts and contributors to the participating accounts.

4 (c) The financial institution shall make a copy of the plan available at its  
5 principal office for inspection during all regular business hours and shall provide a  
6 copy of the plan to any person who requests it.

7 (d) The financial institution shall submit a copy of the written plan, and any  
8 amendments made to the written plan, to the Commissioner upon adoption of such  
9 amendments.

10 **§ 162104. Management of the Fund.** The financial institution shall have the  
11 exclusive management and control of each fund administered by it, and the sole right  
12 at any time to sell, convert, exchange, transfer, or otherwise change or dispose of the  
13 assets comprising within the fund, except as a prudent person might delegate  
14 responsibilities to others. The ownership of the fund's assets shall be solely in the  
15 financial institution as fiduciary and shall be considered as assets held by it as  
16 fiduciary.

17 **§162105. Internal Controls.** A financial institution shall implement and  
18 maintain effective operational controls to ensure:

19 (a) The fund is valued regularly. For a fund that holds investments with daily  
20 valuations, such as mutual funds and publicly traded stocks, bonds, and exchange-  
21 traded funds, values shall be updated each business day. Values shall in any case be  
22 determined no less often than quarterly, except that for a fund that holds assets that  
23 are not readily marketable, such as real estate, values shall be determined no less  
24 often than annually.

25 (b) Contributions and withdrawals are executed on a timely basis, as specified  
26 by the terms of the plan.

1 (c) Each participating account is eligible and authorized to participate in the  
2 fund.

3 (d) An annual audit and fund report are completed in a timely manner.

4 (e) Assets are invested in accordance with the plan and the fund's written  
5 investment policy.

6 (f) Fund documents are maintained in a central repository.

7 (g) A formal process is in place for the board of director of the bank, or a  
8 committee appointed by the board, to approve and oversee major fund decisions and  
9 the operation of the fund.

10 **§162106. Rights and Interests of Participating Accounts and Contributors**  
11 **to the Participating Accounts.**

12 (a) All participating accounts *in a* fund shall have a proportionate undivided  
13 interest in all the fund's assets, which shall be reported in units of beneficial interest.  
14 No participating account shall have individual ownership of any asset in the fund.

15 (b) A hardcopy or electronic statement of participation shall be issued to each  
16 participating account and contributors to the participating accounts at least quarterly.  
17 The statement of participation shall indicate that the statement valuation is not  
18 guaranteed by the financial institution; that the units of beneficial interest held by the  
19 participating account are not negotiable or assignable; and that the statement is a  
20 representation of the participating account's undivided interest in the fund and does  
21 not represent individual ownership of any asset in the fund.

22 **§162107. Interests of a Financial Institution.** A financial institution  
23 administering a fund shall not have an interest in that fund other than in its fiduciary  
24 capacity. If, because of a creditor relationship or otherwise, the bank acquires an  
25 interest in a participating account, the participating account must be withdrawn on the  
26 next withdrawal date. However, a financial institution may invest assets that it holds

1 as fiduciary for its own employees in a fund.

2 **§ 162108. Annual Financial Reports.**

3 (a) At least once during each 12-month period, the financial institution  
4 administering a fund shall arrange for an audit of the fund by auditors responsible  
5 only to the board of directors of the financial institution.

6 (b) At least once during each 12-month period, the financial institution shall  
7 prepare an annual financial report based on the audit required by subsection (a) and  
8 containing the following information:

9 (1) The fund's fees and expenses.

10 (2) A list of the investments in the fund with their costs  
11 and market values on the date of closing of the report.

12 (3) A statement summary of transactions for the year,  
13 organized by type of investment, including the following transactions:

14 (i) A summary of purchases, including costs.

15 (ii) A summary of sales including profit or loss and  
16 any other investment changes.

17 (iii) Income to and disbursements from the fund.

18 (iv) A description of any investments in default.

19 (c) The financial institution may include in the financial report a description of the  
20 fund's value on previous dates, as well as its income and disbursements during  
21 previous accounting periods. The financial institution may not publish in the financial  
22 report any predictions or representations as to future performance.

23 (d) The financial institution shall provide a copy of the annual report (or provide  
24 notice that a copy of the report is available upon request or online) to each person or  
25 entity who would ordinarily receive a regular periodic accounting statement.

26 (e) A copy of the annual financial report shall be filed with the Commissioner.

1       **§ 162109. Management Fees.** The financial institution administering a collective  
2 investment fund may charge a reasonable fund management fee only if the amount of  
3 the fee does not exceed an amount commensurate with the value of legitimate services  
4 of tangible benefit to the participating fiduciary accounts that would not have been  
5 provided to the accounts were they not invested in the fund.

6       **§ 162110. Mistakes in Administration of Funds.** A mistake made in good faith  
7 and in the exercise of due care in connection with the administration of a fund is not a  
8 violation of this chapter or any rules or regulations issued under this chapter, if  
9 promptly after discovery of the mistake the financial institution takes whatever action  
10 is reasonable under the circumstances to remedy the mistake and reports the mistake  
11 to the Commissioner and appropriate federal regulatory agencies as required by this  
12 Act.”

13       **SECTION 3. Severability.** If any of the provisions of this Act or the  
14 application thereof to any person or circumstance is held invalid, such invalidity *shall*  
15 not affect any other provision or application of this Act which can be given effect  
16 without the invalid provision or application, and to this end the provisions of this Act  
17 are severable.



**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) REGULAR SESSION**

**Bill No. 59-32 (COR)**

**Introduced by:**

**V.C. Pangelinan**

**Amended by the Committee on Aviation, Ground  
Transportation, Regulatory Concerns, and  
Future Generations**

**AN ACT TO *ADD* CHAPTER 162 TO TITLE 11 OF THE  
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**BE IT ENACTED BY THE PEOPLE OF GUAM:**

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**Collective Investment Funds Act**

5       § 162101. Definitions.

6       § 162102. Establishment of Collective Investment Funds.

7       § 162103. Plans for Operation of Funds.

8       § 162104. Management of the Fund.

9       § 162105. Internal Controls.

10       §162106. Rights and Interests of Participating Accounts and Contributors to  
11               the Participating Accounts.

12       § 162107. Interests of a Financial Institution,

13       § 162108. Annual Financial Reports.

1           § 162109. Management Fees.

2           § 162110. Mistakes in administration of funds.

3           **§ 162101. Definitions.** As used in this chapter, unless the context otherwise  
4 requires:

5           (a) "*Collective investment fund*" means a fund maintained by a financial  
6 institution that consists solely of assets of retirement, pension, profit sharing, stock  
7 bonus or other trusts that are exempt from federal income tax.

8           (b) "*Commissioner*" means the Commissioner of Banking and Insurance,  
9 appointed under Title 11, Section 103102 of the Guam Code Annotated.

10          (c) "*Fiduciary*" means a financial institution or other person acting in the  
11 capacity of guardian, conservator, personal representative, or trustee, either solely or  
12 together with others, or custodian under a uniform gifts or transfer to minors act of  
13 any state or territory.

14          (f) "*Financial institution*" means a territorial bank, a state bank, a national  
15 bank, a state or federally chartered savings and loan association, or a trust company  
16 under the Guam-Based Trust Companies Act that, in each case, is authorized to act in  
17 a fiduciary capacity in Guam.

18          (g) "*Fund*" means a collective investment fund.

19          (h) "*Participating Account*" means a trust or other fiduciary account that has  
20 contributed assets to a collective investment fund.

21          (i) "*Plan*" means the written plan for a fund described in Section 162103.

22          **§ 162102. Establishment of Collective Investment Funds.** A financial  
23 institution may establish and maintain collective investment funds for the investment  
24 of assets of retirement, pension, profit sharing, stock bonus or other trusts that are  
25 exempt from federal income tax and may invest assets of retirement, pension, profit  
26 sharing, stock bonus, or other employee benefit trusts exempt from federal income

1 tax and that the financial institution holds in any capacity (including agent) in such  
2 collective investment funds.

3 **§ 162103. Written Plan.**

4 (a) A financial institution shall establish and maintain a fund in accordance  
5 with a written plan approved by resolution by the board of directors of the financial  
6 institution or by a committee authorized by the board. The plan's provisions shall be  
7 consistent with the provisions of this chapter, as well as the rules and regulations of  
8 the Office of the Comptroller of the Currency, 12 C.F.R. § 9.18 (or any successor  
9 provision), and such rules and regulations as may from time to time be promulgated  
10 by the Commissioner, to the extent that such respective rules and regulations are not  
11 inconsistent with the provisions of this chapter.

12 (b) The plan shall contain appropriate provisions as to the manner in which  
13 the financial institution will operate the fund, including, but not limited to, provisions  
14 relating to all of the following:

- 15 (1) Investment powers and policies with respect to the fund;
- 16 (2) Allocation of income, profits, and losses;
- 17 (3) Fees and expenses that will be charged to the fund and to  
18 participating accounts and the individuals contributing to the participating  
19 accounts;
- 20 (4) Terms and conditions governing the admission and withdrawal of  
21 participating accounts;
- 22 (5) Audits of participating accounts;
- 23 (6) Basis and method of valuing assets in the fund;
- 24 (7) Expected frequency of income distribution from the fund to  
25 participating accounts;
- 26 (8) Minimum frequency of valuation of fund assets;

1           (9) Amount of time following a valuation date in which a valuation of  
2 fund assets must be made;

3           (10) Bases upon which the financial institution may terminate the funds;

4           (11) Any other matters necessary to define clearly the rights of  
5 participating accounts and contributors to the participating accounts.

6           (c) The financial institution shall make a copy of the plan available at its  
7 principal office for inspection during all regular business hours and shall provide a  
8 copy of the plan to any person who requests it.

9           (d) The financial institution shall submit a copy of the written plan, and any  
10 amendments made to the written plan, to the Commissioner upon adoption of such  
11 amendments.

12           **§ 162104. Management of the Fund.** The financial institution shall have the  
13 exclusive management and control of each fund administered by it, and the sole right  
14 at any time to sell, convert, exchange, transfer, or otherwise change or dispose of the  
15 assets comprising within the fund, except as a prudent person might delegate  
16 responsibilities to others. The ownership of the fund's assets shall be solely in the  
17 financial institution as fiduciary and shall be considered as assets held by it as  
18 fiduciary.

19           **§162105. Internal Controls.** A financial institution shall implement and  
20 maintain effective operational controls to ensure:

21           (a) The fund is valued regularly. For a fund that holds investments with daily  
22 valuations, such as mutual funds and publicly traded stocks, bonds, and exchange-  
23 traded funds, values shall be updated each business day. Values shall in any case be  
24 determined no less often than quarterly, except that for a fund that holds assets that  
25 are not readily marketable, such as real estate, values shall be determined no less  
26 often than annually.

1 (b) Contributions and withdrawals are executed on a timely basis, as specified  
2 by the terms of the plan.

3 (c) Each participating account is eligible and authorized to participate in the  
4 fund.

5 (d) An annual audit and fund report are completed in a timely manner.

6 (e) Assets are invested in accordance with the plan and the fund's written  
7 investment policy.

8 (f) Fund documents are maintained in a central repository.

9 (g) A formal process is in place for the board of director of the bank, or a  
10 committee appointed by the board, to approve and oversee major fund decisions and  
11 the operation of the fund.

12 **§162106. Rights and Interests of Participating Accounts and Contributors**  
13 **to the Participating Accounts.**

14 (a) All participating accounts *in a* fund shall have a proportionate undivided  
15 interest in all the fund's assets, which shall be reported in units of beneficial interest.  
16 No participating account shall have individual ownership of any asset in the fund.

17 (b) A hardcopy or electronic statement of participation shall be issued to each  
18 participating account and contributors to the participating accounts at least quarterly.  
19 The statement of participation shall indicate that the statement valuation is not  
20 guaranteed by the financial institution; that the units of beneficial interest held by the  
21 participating account are not negotiable or assignable; and that the statement is a  
22 representation of the participating account's undivided interest in the fund and does  
23 not represent individual ownership of any asset in the fund.

24 **§162107. Interests of a Financial Institution.** A financial institution  
25 administering a fund shall not have an interest in that fund other than in its fiduciary  
26 capacity. If, because of a creditor relationship or otherwise, the bank acquires an

1 interest in a participating account, the participating account must be withdrawn on the  
2 next withdrawal date. However, a financial institution may invest assets that it holds  
3 as fiduciary for its own employees in a fund.

4 **§ 162108. Annual Financial Reports.**

5 (a) At least once during each 12-month period, the financial institution  
6 administering a fund shall arrange for an audit of the fund by auditors responsible only  
7 to the board of directors of the financial institution.

8 (b) At least once during each 12-month period, the financial institution shall  
9 prepare an annual financial report based on the audit required by subsection (a) and  
10 containing the following information:

11 (1) The fund's fees and expenses.

12 (2) A list of the investments in the fund with their costs  
13 and market values on the date of closing of the report.

14 (3) A statement summary of transactions for the year,  
15 organized by type of investment, including the following transactions:

16 (i) A summary of purchases, including costs.

17 (ii) A summary of sales including profit or loss and  
18 any other investment changes.

19 (iii) Income to and disbursements from the fund.

20 (iv) A description of any investments in default.

21 (c) The financial institution may include in the financial report a description of the  
22 fund's value on previous dates, as well as its income and disbursements during  
23 previous accounting periods. The financial institution may not publish in the financial  
24 report any predictions or representations as to future performance.

25 (d) The financial institution shall provide a copy of the annual report (or provide  
26 notice that a copy of the report is available upon request or online) to each person or

1 entity who would ordinarily receive a regular periodic accounting statement.

2 (e) A copy *of* the annual financial report shall be filed with the Commissioner.

3 **§ 162109. Management Fees.** The financial institution administering a collective  
4 investment fund may charge a reasonable fund management fee only if the amount of  
5 the fee does not exceed an amount commensurate with the value of legitimate services  
6 of tangible benefit to the participating fiduciary accounts that would not have been  
7 provided to the accounts were they not invested in the fund.

8 **§ 162110. Mistakes in Administration of Funds.** A mistake made in good faith  
9 and in the exercise of due care in connection with the administration of a fund is not a  
10 violation of this chapter or any rules or regulations issued under this chapter, if  
11 promptly after discovery of the mistake the financial institution takes whatever action  
12 is reasonable under the circumstances to remedy the mistake and reports the mistake  
13 to the Commissioner and appropriate federal regulatory agencies as required by this  
14 Act.”

15 **SECTION 3. Severability.** If any of the provisions of this Act or the  
16 application thereof to any person or circumstance is held invalid, such invalidity *shall*  
17 not affect any other provision or application of this Act which can be given effect  
18 without the invalid provision or application, and to this end the provisions of this Act  
19 are severable.



***I Mina'Trentai Dos na Liheslaturan Guahan***

Committee on Aviation, Ground Transportation,  
Regulatory Concerns, and Future Generations  
SENATOR MICHAEL F.Q. SAN NICOLAS

**March 19, 2013**

**Bill No. 59-32 (COR): AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.**

NAME (Please print)	AGENCY/ ORGANIZATION	CONTACT NUMBER	ORAL TESTIMONY	WRITTEN TESTIMONY	IN FAVOR	NOT IN FAVOR
ART ILAGAN	Rev & Tax	635-1817	✓	✓	✓	
DAVID John	ASCTC	687-4365	✓	✓	✓	





*Dipáttamenton Kontribusion yan Adu'ána*

DEPARTMENT OF

# REVENUE AND TAXATION

GOVERNMENT OF GUAM

*Gubetnamenton Guåhan*

EDDIE BAZA CALVO, Governor / *Mags'láhi*  
RAY TENORIO, Lt. Governor / *Tifente Gubetnadot*

JOHN P. CAMACHO, Director  
Direktot  
MARIE M. BENITO, Deputy Director  
Sigundo Direktot

March 19, 2013

The Honorable Michael F.Q. San Nicolas  
Chairman, Committee on Aviation, Ground  
Transportation, Regulatory Concerns, and  
Future Generations  
Thirty-Second Guam Legislature  
Hagatna, Guam 96910

Re: Bill No. 59-32 " AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM  
CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE  
INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF  
CHPATER 106, TITLE 11, GUAM CODE ANNOTATED"

Dear Senator San Nicolas:

My name is Artemio B. Ilagan. I am the Banking and Insurance Commissioner. I am in favor of Bill No. 59-32.

Our office has reviewed Bill No. 59-32. In substance this bill incorporates the provisions of the Collective Investment Funds as set forth in 12 CFR 9.18..

A collective investment fund (CIF) is a bank-administered trust that holds commingled assets that meet specific criteria established by 12 CFR 9.18 .The comingled assets in the CIF generally include assets of retirement, pension, profit sharing, stock bonus or other trusts that are exempt from the Federal income tax (Guam territorial income tax)..

The bank acts as a fiduciary for the CIF and holds legal title to the fund's assets. Each person or trust that places money into the CIF is given a specific percentage in relation to the total amount contributed into the CIF. The CIFs allow banks to avoid costly purchases of small lot investments for their smaller fiduciary accounts. For this reason a CIF translates to lower administrative costs for each trusts or persons that invest in the CIF.

2 Bill No. 59-32 Collective Investment Fund

To protect the investors into the CIF, a financial institution is required to establish and maintain a written plan. This plan must be approved by resolution of the board of directors. The plan can be executed by the board of directors or by a committee authorized by the board.

In general, this act will enable each chartered territorial bank in Guam, a federally chartered savings and loan associations, and a trust company organized under Guam-Based Trust Companies Act to provide the services of CIF in a fiduciary capacity. It is our hope that each financial institution shall look into the staff and technical requirements to establish and operate a CIF and provide benefits to the consumers of Guam.

Lastly, there appears to be a typographical error in the citation used into the definition of a "Plan". As defined in Bill 59-32 §162101(i) "Plan" means the written plan for a fund described in Section 162104. I believe this is a typographical error and should read Section 162103. The section that contains the provisions for a written plan is found in Section 162103.

In closing , I am in favor of Bill No. 59-32.

Sincerely,



ARTEMIO B. ILAGAN  
Banking and Insurance Commissioner

## Legislative Testimony

**In Support Bill No. 59-32(COR)**: An Act to ADD Chapter 162 to Title 11 of the Guam Code Annotated Relative to Establishing the Collective Investments Funds Act and to REPEAL Section 106155 of Chapter 106, Title 11, Guam Code Annotated.

**Dated:** March 19, 2013

**By:** David J. John  
President  
ASC Trust Corporation

Mr. Chair, members of the committee, I would like to Thank you for time and allowing me the opportunity to testify before your committee here today.

I am here today to testify in support of Bill 29-32(COR).

My name is David John. I represent ASC Trust Corporation, a local retirement plan provider.

ASC has been servicing retirement plans on Guam for over 20 years. We currently represents approximately 300 retirement plans, with an estimated 19,000 participants and over \$400 million under management.

My comments will be brief in order to allow enough time to answer your questions.

The Bill will allow our company, and companies like us, to offer Collective Investment Trusts to our retirement clients.

A Collective Investment trust is designed specifically to help manage money for qualified retirement plans in a cost effective manner.

A CIT would provide us another tool to help participants properly plan for a successful retirement.

The key word being successful. Most of us have some sort of retirement account. However, how many of us are confident we will have enough in our accounts to finance a successful retirement for our families?

Today workers can expect to live 20-30 years in retirement in a time when the future of government safety nets such as Social Security and government qualified plans are in question. We only need to look to the north to see what can happen if proper planning is not put in place and monitored.

With this, it is becoming more and more important for individuals to create their own safety net.

Collective Investment Trusts will provide an additional tool to help us design proper asset allocation programs for our members to better their chances of a successful retirement .

CITs are not new. They have been around for decades. However, they have been on the rise in both Defined Benefit Pension Plans and Defined Contribution 401(k) Plans across the country since 2006 when the Pension Protection Act approved them as default investment options in DC plans.

I urge you to pass this Bill to provide opportunities to our financial services industry so that we can work together to develop products to help create a successful retirement system for our workers.

Again, I would like to thank you for your time and would welcome any questions you might have for me.

WILLIAM D. LEON GUERRERO  
Executive Vice President/  
Chief Operating Officer



# Bank of Guam

"The People's Bank"

MEMBER OF THE FEDERAL  
DEPOSIT INSURANCE CORP.

P.O. Box BW  
Agana, Guam 96910  
Tel: 472-5271/3/5

Only locally owned Bank - founded 1972 by Jesus S. Leon Guerrero

March 19, 2013

The Honorable Senator Michael F.Q. San Nicolas  
Chairman, Committee on Aviation, Ground Transportation,  
Regulatory Concerns, and Future Generations  
Thirty-Second Guam Legislature  
Guam Legislature Building  
155 Hesler St.  
Hagåtña, Guam 96910

Dear Senator:

I have received and reviewed Bill 59-32, as well as an invitation to provide testimony.

I find that, despite a few modifications, Bill 59-32 is quite similar to Bill 444-31 in the 31<sup>st</sup> Guam Legislature, and the Bank's position has not changed.

Attached, you will find a copy of the testimony relating to Bill 444-31 that was prepared and submitted by Ms. Lou Leon Guerrero, President and Chair of the Board of Bank of Guam, on May 11, 2012. Our input on this issue remains the same.

Should you have any questions or require additional information, please feel free to contact me at 472-5273. Until then, I remain

Sincerely yours,

William D. Leon Guerrero  
Executive Vice President and  
Chief Operating Officer



Member FDIC

May 11, 2012

The Honorable Senator Vicente C. Pangelinan  
Chairman, Committee on Appropriations,  
Taxation, Public Debt, Banking, Insurance,  
Retirement, and Land  
Thirty-First Guam Legislature  
324 W. Soledad Ave., Suite 100  
Hagåtña, Guam 96910

Dear Senator:

I am pleased to submit this testimony regarding Bill 444-31, before the Committee today. I am glad that the Legislature is taking up the important issue of enhancing and modernizing the laws governing the financial industry in Guam. Providing a vehicle for the formation of local collective investment funds is an important step in that direction, and providing a framework for local investment funds to stay in Guam will help our economic growth and development.

Having reviewed the Bill, and after discussing it with members of the Bank of Guam management team, I conclude that it is a good first attempt at meeting our common objective of providing more investment opportunities and expanded financial services to our community. Nonetheless, in contemplating the establishment of something as important as a new class of fiduciary in Guam, I would like to suggest several improvements that could be made to better protect the interests of local investors of limited means.

I note that 12 CFR §9.18, issued by the Office of the Comptroller of the Currency to implement regulation of collective investment funds, constitutes a portion of the regulations to govern the activities and practices of such funds in Guam provided that they are not inconsistent with the provisions of the legislation. However, those regulations apply specifically to federally-chartered banks, and 12CFR §9.18 is a very small part of a vast regulatory structure under which those banks operate; there are much broader fiduciary standards applied to national banks to protect their customers (including investors) that are not reflected here, and that do not apply to non-bank financial institutions. It is crucial that Guam's corresponding regulations provide those same protections, and I strongly recommend explicitly expressing that objective in the proposed statute.

The structure proposed for collective investment funds appears to be the same as a qualified mutual fund, and provides more narrow authority than the Comptroller would allow. (12 CFR §9.18 allows a much broader range of assets to be invested into a collective investment fund than

the Bill would allow.) However, under 12 CFR §9.18, national banks are prohibited (except under certain restricted circumstances) from issuing shares or certificates, whether or not negotiable, and thus Guam's collective investment funds might conceivably circumvent the Investment Company Act of 1940, the Securities Exchange Act of 1934 and the Securities Act of 1933. This is not advisable. These three federal laws and their related regulations would serve to provide the protections for Guam investors that Bill 444-31, as written, would not, and should be considered in this legislation. Guam investors should be protected to the same extent as bank regulations would require. Perhaps requiring the issuance of shares or certificates would resolve this concern. At the very least, adding a paragraph (d) to proposed §162104 requiring submission of the fund plan to the Commissioner of Banking and Insurance would provide a higher level of protection.

As for common trust funds, banks and trust companies are already authorized to create one or more in which individuals may participate and invest under Title 11, Chapter 106, §106155 GCA (a part of the Guam banking code), which would be repealed by this Bill. While the existing law would potentially allow banks to engage in investment banking activities, those activities are currently being closely scrutinized by federal lawmakers who are leaning toward modification. There is a very strong perception in Congress and elsewhere that the final repeal of the Glass-Steagall Act's that allowed the merger of investment banking and commercial banking was a major contributing factor to the near-collapse of the U.S. financial system in 2008.

The reporting requirements stipulated in Bill 444-31 are relatively broad and may not be sufficient to provide adequate information to current and prospective investors. In particular, many of the limitations listed in 12 CFR §9.18(b)(6)(iii), §9.18(b)(7), (8) and (9) may not be applicable under Bill 444-31 in its present form. These provisions of the federal regulations provide important protections and impose fiduciary standards that are missing here.

Again, I want to express my appreciation that the Legislature is addressing some of the older provisions of law governing the financial industry here, and that an effort is being made to expand the type and scope of financial services available to our community. With that in mind, I encourage you to incorporate consideration of the concerns that I have presented today in this and other legislation in the future.

I thank you for the opportunity to submit my testimony on this important legislation.

Respectfully,

Lourdes A. Leon Guerrero  
President and Chair of the Board



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
Judith T.P. Won Pat, Ed.D.  
Member

Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael E.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

March 26, 2013

## Memorandum

**To:** **Reanne Meno**  
*Clerk of the Legislature*

**From:** **Senator Rory J. Respicio**  
*Chairperson, Committee on Rules*

**Subject:** **Fiscal Notes**

*Hafa Adai!*

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

### FISCAL NOTES:

Bill Nos.: 5-32 (LS), 11-32 (COR), 29-32 (COR), 35-32 (COR), 39-32 (COR), 47-32 (COR), 56-32 (COR), and 59-32 (COR)

### WAIVERS:

Bill Nos.: 23-32 (COR), 58-32 (COR), and 67-32 (COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

*Si Yu'os ma'åse'!*

2013 MAR 26 AM 11:15  
*WPM*



**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR

Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO  
GOVERNORJOHN A. RIOS  
DIRECTORRAY TENORIO  
LIEUTENANT GOVERNOR

MAR 25 2013

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR) and 67-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

JOHN A. RIOS  
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 59-32**

**AN ACT TO ADD CHAPTER 162 TO TITLE II OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE II, GUAM CODE ANNOTATED**

Department/Agency Appropriation Information	
Dept./Agency Affected:	Dept./Agency Head:
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Specify) appropriation(s) to date: Healthy Futures Fund & Environmental Health Fund	-
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$0</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance <sup>1</sup>	\$0	\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2013 (If applicable)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- Does the bill contain "revenue generating" provisions? / / Yes / X / No  
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? / X / N/A / / Yes / / No  
If no, what is the additional amount required? \$ \_\_\_\_\_ / X / N/A
- Does the Bill establish a new program/agency? / X / Yes / / No  
If yes, will the program duplicate existing programs/agencies? / X / N/A / / Yes / / No  
Is there a federal mandate to establish the program/agency? / / Yes / X / No
- Will the enactment of this Bill require new physical facilities? / / Yes / X / No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes / X / No  
/ / Requested agency comments not received as of the due date / / Other:

Analyst: John AB Pangelinan Date: 3/20/13 Director: John A. Rios Date: MAR 20  
John AB Pangelinan, Acting Deputy Dir John A. Rios, Director

Footnotes:  
Please see attached comment sheet.

**Comments to Legislative Bill No. 59-32**

Legislative Bill No. 59-32 is proposing to repeal Section 106155, Common Trust Fund, of Chapter 106, Title II of the Guam Code Annotated (GCA). This section authorizes a bank or trust company to create one or more common trust funds in which individuals may elect to participate and invest. The proposed legislation is attempting to replace this section with a New Chapter 162 of the same Title II, GCA which involves the establishment of a Collection Investment Fund within financial institutions on Guam. By definition Collective Investment Funds are funds composed of a group of assets that are managed by a bank or trust company. This group of assets may be retirement plans, pension plans, and/or reinvestments of profit sharing plan trusts for specific purpose. Such gathering of assets is a strategic process to create investment portfolio that are highly diversified so that such investments will perform well in a wide range of economic situations.

In this proposed bill, the Collection Investment Fund that is to be established is based only on its assets being exempt from federal and local tax requirements. It does not consider other assets being invested for profit for which such profits are federally and locally taxed. The outcome of such exclusion limits participating financial institutions from participation in investment groups seeking returns in their investments. This limitation indirectly prevents the local government from receiving that one additional tax dollar generated from the profitability of taxed investment returns held in trust.

There is no immediate fiscal impact should this proposed legislation is passed; however, the Government does incur the opportunity cost of not being able to realize any gain in tax revenues from such investments as the result of the tax exemption afforded such collection investment funds.

Testimony on Legislative Bill No. 59-32  
Prepared by  
The Bureau of Budget and Management Research

AN ACT TO ADD CHAPTER 162 OF TITLE II OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUND ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE II, GUAM CODE ANNOTATED

My name is John A. Rios, Director of the Bureau of Budget and Management Research (BBMR) and I thank Senator Michael San Nicolas and Committee Members for allowing me to testify on Bill No. 59-32.

Legislative Bill No. 59-32 is proposing to repeal Section 106155, Common Trust Fund, of Chapter 106, Title II of the Guam Code Annotated (GCA). This section authorizes a bank or trust company to create one or more common trust funds in which individuals may elect to participate and invest. The proposed legislation is attempting to replace this section with a New Chapter 162 of the same Title II, GCA which involves the establishment of a Collection Investment Fund within financial institutions on Guam. By definition Collective Investment Funds are funds composed of a group of assets that are managed by a bank or trust company. This group of assets may be retirement plans, pension plans, and/or reinvestments of profit sharing plan trusts for specific purpose. Such gathering of assets is a strategic process to create investment portfolio that are highly diversified so that such investments will perform well in a wide range of economic situations.

In this proposed bill, the Collection Investment Fund that is to be established is based only on its assets being exempt from federal and local tax requirements. It does not consider other assets being invested for profit for which such profits are federally and locally taxed. The outcome of such exclusion limits participating financial institutions from participation in investment groups seeking returns in their investments. This limitation indirectly prevents the local government from receiving that one additional tax dollar generated from the profitability of taxed investment returns held in trust.

There is no immediate fiscal impact should this proposed legislation is passed; however, the Government does incur the opportunity cost of not being able to realize any gain in tax revenues from such investments as the result of the tax exemption afforded such collection investment funds.

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

**EDDIE BAZA CALVO**  
GOVERNOR

**JOHN A. RIOS**  
DIRECTOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR

***FACSIMILE INFORMATION PAGE***

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 23

If you do not receive legible copies of all the pages, please call back as soon

as possible. Phone numbers (671) 475-9412/9450. Fax number (671) 472-2825

**RE:** Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR), and 67-32(COR).

**COMMENTS:** Fiscal Notes to be picked up via Central Files.

Thank You!



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
Vicente (Ben) C. Pangelinan  
Member

Speaker  
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Senator  
Dennis G. Rodriguez, Jr.  
Member

Vice-Speaker  
Benjamin J.F. Cruz  
Member

Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER


Senator  
Aline Yamashita  
Member

March 4, 2013

### MEMORANDUM

To: **Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

From: **Senator Rory J. Respicio**   
*Majority Leader & Rules Chair*

Subject: **Referral of Bill No. 59-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 59-32(COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	STATUS
59-32 (COR)	V.C. Pangelinan	AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.	3/1/13	3/4/13	Committee on Aviation, Ground Transportation, Regulatory Concerns, and Future Generations			



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## First Notice - 3.19.13 Public/Confirmation Hearing

Senator Michael San Nicolas <senatorsannicolas@gmail.com>

Mon, Mar 11, 2013 at 6:05 PM

To: Senator Michael San Nicolas <senatorsannicolas@gmail.com>

Bcc: aperez@gpagwa.com, bmkelman@guampdn.com, dmgeorge@guampdn.com, dtamondong@guampdn.com, edavis@k57.com, editor@mvguam.com, gerry@mvguam.com, gmmsinc@guam.net, info@chinesetimesguam.com, jason@kuam.com, john@kuam.com, kcn.kelly@gmail.com, koreannews@guam.net, kprg@guam.net, life@guampdn.com, mabuhaynews@yahoo.com, mindy@kuam.com, mwatanabe@guampdn.com, news@k57.com, parroyo@k57.com, radioprod@kuam.com, rgibson@k57.com, sabrina@kuam.com, slimtiaco@guampdn.com, sports@mvguam.com, tcoffman@k57.com, dcristos@guam.gannett.com, publisher@glimpsesofofguam.com, weavert@pstripes.osd.mil, news@guampdn.com, jtyquiengco@spbguam.com, kevin@spbguam.com, hill.bruce@abc.net.au, pacificjournalist@gmail.com, parroyo@spbguam.com, editor@saipantribune.com, clynt@spbguam.com, mcpherson.kathryn@abc.net.au, cimiculka@guampdn.com, arcordoba@guampdn.com, communications@guam.gov, natalie.quinata@guam.gov, troy.torres@guam.gov, phnotice@guamlegislature.org, alerta.jermaine@gmail.com, baza.matthew@gmail.com, delisakloppenburg@gmail.com, geraldine@mvguam.com, joy@mvguam.com, louella@mvguam.com, david@mvguam.com, jpmanuel@gmail.com, josh@spbguam.com, speaker@judiwonpat.com, senadotbjcruz@aol.com, senator@tinamunabarnes.com, roryforguam@gmail.com, senatordrodriguez@gmail.com, senbenp@guam.net, office@senatorada.org, aline4families@gmail.com, tony@tonyada.com, duenasenator@gmail.com, brantforguam@gmail.com, aguon4guam@gmail.com, mike@mikelimtiaco.com, tommy@senatormorrison.com, mayormcdonald@hotmail.com, agatmayorsoffice@hotmail.com, asanmainamayorsoffice@yahoo.com, bmoadmin@teleguam.net, ocp.mayor@gmail.com, melissa.savares@gmail.com, peter\_daigo@hotmail.com, hagatnamayor@hotmail.com, mayordorisfloreslujan@gmail.com, nblas\_mangilaomayor@yahoo.com, vicemayor\_allan.ungacta@yahoo.com, mayorernestc@yahoo.com, mtm\_mayors\_office@yahoo.com, pitimayor@yahoo.com, guammayor@gmail.com, rudyiriarte@gmail.com, talofofomayor@gmail.com, mayorlcrivera.tatuha@gmail.com, vicemayorksantos.tatuha@gmail.com, umatacmo@gmail.com, kones.r@gmail.com, arleen81@gmail.com, kenjoeada@yahoo.com, msavares@teleguam.net, anghet@hotmail.com, kenq@kuam.com, raymond.gibson@guam.gov, daleealvarez@gmail.com, responsableguam@gmail.com, christopherchenay@gmail.com, floterlaje@gmail.com, derickbazahills@gmail.com, regineb.lee@gmail.com, chuck.ada@guamairport.net, peterroy@guamairport.net, lorilee.crisostomo@bsp.guam.gov, doagridir@yahoo.com, george.santos@dol.guam.gov, carl.dominguez@dpw.guam.gov, jay.rojas@dpw.guam.gov, eduardo.ordonez@clb.guam.gov, cgarcia@investguam.com, eric.palacios@epa.guam.gov, felixberto.dungca@grta.guam.gov, kpangelinan@visitguam.org, ndenight@visitguam.org, jbrown@portguam.com, monte.mafnas@dlm.guam.gov, david.camacho@galc.guam.gov, mjduenas@ghura.org, fcamacho@ghura.org, martin.benavente@ghc.guam.gov, alfredo.antolin@dol.guam.gov, joseph.cameron@hrra.guam.gov, cgogue@pbsguam.org, Adonis.mendiola@dya.guam.gov, jose.sanagustin@doc.guam.gov, pedro.leonguerrero@cqa.guam.gov, joey.sannicolas@gfd.guam.gov, fred.bordallo@gpd.guam.gov, chief@gpd.guam.gov, jim.mcdonald@ghs.guam.gov, benito.servino@disid.guam.gov, james.gillan@dphss.guam.gov, leo.casil@dphss.guam.gov, joseph.verga@gmha.org, john.rios@bbmr.guam.gov, Benita.manglona@doa.guam.gov, Anthony.blaz@doa.guam.gov, jpcamacho@revtax.gov.gu, mmbenito@revtax.gov.gu, benny.m.paulino@ng.army.mil, john.unpingco@gvao.guam.gov, jonfernandez@gdoe.net, mary.okada@guamcc.edu, raunderwood@uguam.uog.edu, jflores@gpagwa.com, ed.cruz@bit.guam.gov

Hafa adai,

Please be advised that the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations will be conducting a hearing on Tuesday, March 19, 2013, 10:00 a.m. The hearing will take place in I Liheslaturan Guåhan's Public Hearing Room. See attachments for more information. Thank you for your time and attention on this matter.



Regards,

## **Jermaine Alerta**

Chief Policy Analyst

Office of Senator Michael F.Q. San Nicolas

F.Mina' Treñta Dos na Liheslaturan Guahan

32nd Guam Legislature


Tel: (671) 472-6453


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### **4 attachments**

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 **Bill No. 56-32 (COR).pdf**  
53K

 **Bill No. 59-32 (COR).pdf**  
181K



## Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature

---



### FIRST PUBLIC NOTICE

**FOR IMMEDIATE RELEASE**

**March 11, 2013**

In accordance with the Open Government Law, relative to notice for public meetings, please be advised that the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations will be conducting a hearing on **Tuesday, March 19, 2013, 10:00 a.m.** at *I Liheslaturan Guåhan*'s Public Hearing Room for the following items:

#### **Public Hearing**

**Bill No. 56-32 (COR), introduced by Benjamin J.F. Cruz and Thomas C. Ada: AN ACT RELATIVE TO REPEALING AND REENACTING §9108 OF TITLE 16 GUAM CODE ANNOTATED.**

**Bill No. 59-32 (COR), introduced by Vicente C. Pangelinan: AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.**

#### **Confirmation Hearing**

Appointment of Donald Taitano, Member, Cockpit License Board  
Length of Term: One (1) Year

If written testimonies are to be presented at the hearing, copies should be delivered prior to the meeting date. Testimonies should be addressed to Senator Michael F.Q. San Nicolas and will be accepted via hand delivery to our office; our mailbox at the Main Legislature Building at 155 Hesler Place, Hagatna, Guam 96910; or via email to [senatorsannicolas@gmail.com](mailto:senatorsannicolas@gmail.com). In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services should contact the Office of Senator Michael F.Q. San Nicolas at 472-6453.

###



## Second Notice - 3.19.13 Public/Confirmation Hearing

Senator Michael San Nicolas <senatorsannicolas@gmail.com>

Fri, Mar 15, 2013 at 9:21 AM

To: Senator Michael San Nicolas <senatorsannicolas@gmail.com>

Bcc: aperez@gpagwa.com, bmkelman@guampdn.com, dmgeorge@guampdn.com, dtamondong@guampdn.com, edavis@k57.com, editor@mvguam.com, gerry@mvguam.com, gmmsinc@guam.net, info@chinesetimesguam.com, jason@kuam.com, john@kuam.com, kcn.kelly@gmail.com, koreannews@guam.net, kprg@guam.net, life@guampdn.com, mabuhaynews@yahoo.com, mindy@kuam.com, mwatanabe@guampdn.com, news@k57.com, parroyo@k57.com, radioprod@kuam.com, rgibson@k57.com, sabrina@kuam.com, slimtiaco@guampdn.com, sports@mvguam.com, toffman@k57.com, dcristos@guam.gannett.com, publisher@glimpesolguam.com, weavert@pstripes.osd.mil, news@guampdn.com, jtyquiengco@spbguam.com, kevin@spbguam.com, hill.bruce@abc.net.au, pacificjournalist@gmail.com, parroyo@spbguam.com, editor@saipantribune.com, clynt@spbguam.com, mcpherson.kathryn@abc.net.au, cimiculka@guampdn.com, arcordoba@guampdn.com, communications@guam.gov, natalie.quinata@guam.gov, troy.torres@guam.gov, phnotice@guamlegislature.org, alerta.jermaine@gmail.com, baza.matthew@gmail.com, delisakloppenbourg@gmail.com, geraldine@mvguam.com, joy@mvguam.com, louella@mvguam.com, david@mvguam.com, jpmanuel@gmail.com, josh@spbguam.com, speaker@judiwonpat.com, senadotbjcruz@aol.com, senator@tinamunabarnes.com, roryforguam@gmail.com, senatordrodriguez@gmail.com, senbenp@guam.net, office@senatorada.org, aline4families@gmail.com, tony@tonyada.com, duenasenator@gmail.com, brantforguam@gmail.com, aguon4guam@gmail.com, mike@mikelimtiaco.com, tommy@senatormorrison.com, mayormcdonald@hotmail.com, agatmayorsoffice@hotmail.com, asanmainamayorsoffice@yahoo.com, bmoadmin@teleguam.net, ocp.mayor@gmail.com, melissa.savares@gmail.com, peter\_daigo@hotmail.com, hagatnamayor@hotmail.com, mayordorisfloreslujan@gmail.com, nblas\_mangilaomayor@yahoo.com, vicemayor\_allan.ungacta@yahoo.com, mayorerneestc@yahoo.com, mtm\_mayors\_office@yahoo.com, pitimayor@yahoo.com, guammayor@gmail.com, rudyiriarte@gmail.com, talofofomayor@gmail.com, mayorlcrivera.tatuha@gmail.com, vicemayorksantos.tatuha@gmail.com, umatacmo@gmail.com, kones.r@gmail.com, arleen81@gmail.com, kenjoeada@yahoo.com, msavares@teleguam.net, anghet@hotmail.com, kenq@kuam.com, raymond.gibson@guam.gov, daleealvarez@gmail.com, responsibleguam@gmail.com, christopherchenay@gmail.com, floterlaje@gmail.com, derickbazahills@gmail.com, regineb.lee@gmail.com, chuck.ada@guamairport.net, peterroy@guamairport.net, lorilee.crisostomo@bsp.guam.gov, doagridir@yahoo.com, george.santos@dol.guam.gov, carl.dominguez@dpw.guam.gov, jay.rojas@dpw.guam.gov, eduardo.ordonez@clb.guam.gov, cgarcia@investguam.com, eric.palacios@epa.guam.gov, felixberto.dungca@grta.guam.gov, kpangelinan@visitguam.org, ndenight@visitguam.org, jbrown@portguam.com, monte.matnas@dlim.guam.gov, david.camacho@galc.guam.gov, mjduenas@ghura.org, fcamacho@ghura.org, martin.benavente@ghc.guam.gov, alfredo.antolin@dol.guam.gov, joseph.cameron@hrra.guam.gov, cgogue@pbsguam.org, Adonis.mendiola@dya.guam.gov, jose.sanagustin@doc.guam.gov, pedro.leonguerrero@cqa.guam.gov, joey.sannicolas@gfd.guam.gov, fred.bordallo@gpd.guam.gov, chief@gpd.guam.gov, jim.mcdonald@ghs.guam.gov, benito.servino@disid.guam.gov, james.gillan@dphss.guam.gov, leo.casil@dphss.guam.gov, joseph.verga@gmha.org, john.rios@bbmr.guam.gov, Benita.manglona@doa.guam.gov, Anthony.blaz@doa.guam.gov, jpcamacho@revtax.gov.gu, mmbenito@revtax.gov.gu, benny.m.paulino@ng.army.mil, john.unpingco@gvao.guam.gov, jonfernandez@gdoe.net, mary.okada@guamcc.edu, raunderwood@uguam.uog.edu, jflores@gpagwa.com, ed.cruz@bit.guam.gov

Hafa adai,

Please be advised that the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations will be conducting a hearing on Tuesday, March 19, 2013, 10:00 a.m. The hearing will take place in *I Liheslaturan Guåhån*'s Public Hearing Room. See attachments for more information. Thank you for your time and attention on this matter.

Regards,

## **Jermaine Alerta**

Chief Policy Analyst

Office of Senator Michael F.Q. San Nicolas

I Mina' Trentai Dos na Liheslaturan Guahan

32nd Guam Legislature





Tel: (671) 472-6453

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### **4 attachments**

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## Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Des Na Liheslaturan Guåhan* | 32<sup>nd</sup> Guam Legislature

---



### SECOND PUBLIC NOTICE

**FOR IMMEDIATE RELEASE**

**March 15, 2013**

In accordance with the Open Government Law, relative to notice for public meetings, please be advised that the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations will be conducting a hearing on **Tuesday, March 19, 2013, 10:00 a.m.** at *I Liheslaturan Guåhan's* Public Hearing Room for the following items:

#### Public Hearing

**Bill No. 56-32 (COR), introduced by Benjamin J.F. Cruz and Thomas C. Ada: AN ACT RELATIVE TO REPEALING AND REENACTING §9108 OF TITLE 16 GUAM CODE ANNOTATED.**

AN ACT TO REPEAL AND REENACT §9108 OF TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO CHANGING THE PENALTY FOR VIOLATION OF THE TRAFFIC CODE FROM A PETTY MISDEMEANOR TO A CIVIL VIOLATION PUNISHABLE BY A FINE, AND TO AUTHORIZE THE TRAFFIC COURT OR JUDICIARY TO SET TRAFFIC FINES THAT ARE NOT SET BY LAW. *(title amended by Legal Counsel with the concurrence of the primary sponsor)*

**Bill No. 59-32 (COR), introduced by Vicente C. Pangelinan: AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.**

#### Confirmation Hearing

Appointment of Donald Taitano, Member, Cockpit License Board  
Length of Term: One (1) Year

If written testimonies are to be presented at the hearing, copies should be delivered prior to the meeting date. Testimonies should be addressed to Senator Michael F.Q. San Nicolas and will be accepted via hand delivery to our office; our mailbox at the Main Legislature Building at 155 Hesler Place, Hagatna, Guam 96910; or via email to [senatorsannicolas@gmail.com](mailto:senatorsannicolas@gmail.com). In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services should contact the Office of Senator Michael F.Q. San Nicolas at 472-6453.

###



# Senator Michael F.Q. San Nicolas

Chairman - Committee on Aviation, Ground Transportation,  
Regulatory Concerns and Future Generations  
*I Mina'trentai Dos Na Liheslaturan Guåhan | 32<sup>nd</sup> Guam Legislature*

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## PUBLIC HEARING

Tuesday, March 19, 2013

10:00 a.m.

Public Hearing Room

*I Liheslaturan Guåhan*

### AGENDA

#### I. Call to Order

#### II. Opening Remarks/Announcements

#### III. Items for Public Consideration

**Bill No. 56-32 (COR), introduced by Benjamin J.F. Cruz and Thomas C. Ada: ~~AN ACT RELATIVE TO REPEALING AND REENACTING §9108 OF TITLE 16 GUAM CODE ANNOTATED.~~**

AN ACT TO REPEAL AND REENACT §9108 OF TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO CHANGING THE PENALTY FOR VIOLATION OF THE TRAFFIC CODE FROM A PETTY MISDEMEANOR TO A CIVIL VIOLATION PUNISHABLE BY A FINE, AND TO AUTHORIZE THE TRAFFIC COURT OR JUDICIARY TO SET TRAFFIC FINES THAT ARE NOT SET BY LAW. *(title amended by Legal Counsel with the concurrence of the primary sponsor)*

**Bill No. 59-32 (COR), introduced by Vicente C. Pangelinan: AN ACT TO ADD CHAPTER 162 TO TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE COLLECTIVE INVESTMENT FUNDS ACT, AND TO REPEAL SECTION 106155 OF CHAPTER 106, TITLE 11, GUAM CODE ANNOTATED.**

**~~Appointment of Donald Taitano, Member, Cockpit License Board~~**

#### IV. Closing Remarks

#### V. Adjournment