



COMMITTEE ON RULES

I Mina'trentai Unu na Libeslaturan Guahan • The 31st Guam Legislature
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2012 MAR 28
MEM

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

March 6, 2012

Memorandum

Senator
Judith P. Guthertz
VICE CHAIRPERSON
ASST. MAJORITY LEADER

To: Pat C. Santos
Clerk of the Legislature

MAJORITY MEMBERS:

From: Senator Rory J. Respicio

Speaker
Judith T. Won Pat

Subject: Fiscal Notes

Vice Speaker
Benjamin J. F. Cruz

Hafa Adai!

Senator
Tina Rose Muña Barnes
LEGISLATIVE SECRETARY
MAJORITY WHIP

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.

Senator
Dennis G. Rodriguez, Jr.
ASST. MAJORITY WHIP

Bill No.: 418-31 (COR)
419-31 (COR)
423-31 (LS)

Senator
Thomas C. Ada

Senator
Adolpho B. Palacios, Sr.

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

Senator
vicente c. pangelinan

MINORITY MEMBERS:

Si Yu'os ma'åse'!

Senator
Aline A. Yamashita
ASST. MINORITY LEADER

Senator
Christopher M. Duenas

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR
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STEPHEN J. GUERRERO
DEPUTY DIRECTOR

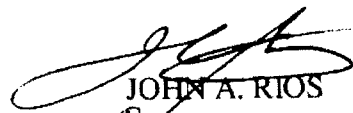
MAR 05 2012

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

Hafa Adai Senator Respicio:

Transmitted herewith is the Fiscal Note on the following Bill Nos.: 423-31(LS).

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. 423-31 (LS)**

AN ACT TO AUTHORIZE THE ISSUANCE OF BONDS FOR THE PAYMENT OF INCOME TAX REFUNDS FOR CALENDAR YEAR 2011.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue & Taxation (DRT)	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	\$10,250,643
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund (TCEF) - \$696,831; Better Public Service Fund (BPSF) - \$1,422,747	2,119,578
Total Department/Agency Appropriation(s) to date:	\$12,370,221

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2012 Adopted Revenues	\$0	\$0	\$0
FY 2012 Appro. (P.L. 30-196)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2012 (if applicable)	FY 2013	FY 2014	FY 2015	FY 2016
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

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

Analyst: Michael M. Añague, B&M Analyst Date: 2/22/12 Director: John A. Rios, Director Date: 2/22/12

48 U.S.C. §1423a caps the territory's debt ceiling at 10% of the aggregate tax valuation of property in Guam. U.S. Supreme Court, *Limtiaco vs. Camacho*, 06-116 defined "tax valuation" as "assessed valuation". Bill 423-31 (LS) seeks to amend the assessed value from 90% to 100% of the appraised value. Based on preliminary data provided by the Department of Revenue & Taxation as of 9/12/2011, the total appraised value of land & improvements is \$11.5 billion (ref. attachment). Guam's current debt ceiling is projected at \$1.03 billion based on 90% of the taxable appraised value. An increase to 100% of the appraised value of property in Guam would adjust the island's debt capacity to approximately \$1.15 billion, an increase of \$115M. GovGuam's aggregate debt is approximately \$1.02 billion inclusive the Business Privilege Tax (BPT) Limited Obligation Bonds, Series 2011A of \$235M (par amount). The 10% increase in the assessed value noted in the Bill will allow the government to pursue future borrowing measures subject to debt service; however, the Bureau is unable to determine such impact at this time.