

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	FISCAL NOTES
101-32 (LS)	Michael F.Q. San Nicolas	AN ACT TOAMEND §24204 OF ARTICLE 2, CHAPTER 24,TITLE 11, GUAM CODE ANNOTATED; RELATIVE TO REDUCING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF REAL PROPERTY TAXDUE TO THE GOVERNMENT OF GUAM FROM THIRTY (30) YEARS TO TEN (10) YEARS.	5/2/13 2:14p.m.	5/2/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land			Fiscal Note Requested 05/02/13 Fiscal Note Received 5/31/13



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: 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 F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

May 29, 2013

Memorandum

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

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

Subject: **Fiscal Notes**

Hafa Adai!

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

FISCAL NOTE:

Bill No. 101-32(LS)

WAIVER:

Bill No. 100-32(LS)

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 MAY 31 AM 8:43

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 101-32 (LS)**

AN ACT TO AMEND §24204 OF ARTICLE 2, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED; RELATIVE TO REDUCING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF REAL PROPERTY TAX DUE TO THE GOVERNMENT OF GUAM FROM THIRTY (30) YEARS TO TEN (10) YEARS.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue & Taxation	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	9,164,180
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund (\$686,717) / Better Public Service Fund (\$1,390,554)	2,077,271
Total Department/Agency Appropriation(s) to date:	\$11,241,451

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2013 Adopted Revenues	\$561,985,725	\$0	\$561,985,725
FY 2013 Appro. (P.L. 31-233)	(\$548,971,874)	\$0	(\$548,971,874)
Sub-total:	\$13,013,851	\$0	\$13,013,851
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$13,013,851	\$0	\$13,013,851

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
Total	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? // Yes /x/ No
If Yes, see attachment
2. 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
3. Does the Bill establish a new program/agency? // Yes /x/ 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
4. Will the enactment of this Bill require new physical facilities? // Yes /x/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /x/ Yes // No
/ / Requested agency comments not received as of the due date / / Other:

Analyst: Michael M. Aflague, B&M Analyst IV Date: 5/24/13 Director: John A. Blos, Director Date: MAY 29 2013

Pursuant to information provided by the Department of Revenue and Taxation, the Government of Guam will lose \$5.2M initially should Bill 101-32 become law (reference attachment).

May 9, 2013

REAL PROPERTY TAX DIVISION
Bill No. 101-32 (LS)

TESTIMONY:

Department of Revenue and Taxation is in opposition of the ten (10) year statute of limitation for property tax collection and, for the following reason;

If the bill is approved, the Government will initially lose an average of \$5.2M in delinquent taxes. To be noted, is that there are commercial and income producing properties that are extremely delinquent and are within the statute (30 years) collection period, the minimum annual amount of at least \$5,000.

ALTERNATIVE RECOMMENDATION:

“§ 24204. Same:Removal

After twenty (20) ~~thirty (30)~~ years succeeding the time, heretofore or hereafter, when any tax becomes a lien, *if* the lien has not been otherwise removed, then the lien ceases to exist and the tax is conclusively presumed to have been paid. The tax collector *shall* mark the tax paid in the records.”

REASON:

1. The payment record within the Department of Revenue and Taxation is still accessible and as early as October 1989.
2. If the twenty (20) year statute is approved, the initial decrease in property tax receivable may be only \$1M vs \$5M. And, thereafter an annual decrease of less than \$100,000 to be written off as bad debt.

ADDITIONAL RECOMMENDATIONS TO CHANGES IN THE REAL PROPERTY TAX LAW

“§ 24906. Refunds.

The tax collector shall, ~~with the written approval of the Attorney General~~, authorize the Treasurer of Guam, by certification; refund any taxes, penalties or costs if they were:

- (a) Paid more than once;
- (b) Erroneously or illegally collected;
- (c) Paid on an assessment of improvements which did not exist on the lien date.
- (d) Overpayments that qualify under §24907.1 (PL23-138)

REASON:

Under the existing law, all claims for property tax refund must be transmitted to the Attorney General for disposition (approval or disapproval). The majority of the claim for property tax refund falls under (a), (b) and (c) above. And, prior to transmittal of the tax refund application to the Attorney General, the payment records are scrutinized to ensure that the claim is valid, is within the statute of limitation [three (3) years from date of payment] and, must be signed by the Director of Department of Revenue and Taxation.

Transmitting the documents to the Attorney General is unnecessary process if it is just to confirm that the claim for refund is within the statute and that all documents are attached.



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: 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 F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

May 2, 2013

VIA E-MAIL
john.rios@bbmr.guam.gov

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Note – Bill No. 101-32(LS)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bill. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bill.

Si Yu'os ma'åse' for your attention to this matter.

Very Truly Yours,

Senator Rory J. Respicio
Chairperson, Committee on Rules

Attachments (1)

Cc: Clerk of the Legislature

2013 MAY -2 PM 4:17 S

Bill Nos.	Sponsor	Title
101-32(LS)	Michael F.Q. San Nicolas	AN ACT TO AMEND §24204 OF ARTICLE 2, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED; RELATIVE TO REDUCING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF REAL PROPERTY TAX DUE TO THE GOVERNMENT OF GUAM FROM THIRTY (30) YEARS TO TEN(10) YEARS.



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: 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 F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

May 2, 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. 101-32(LS)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 101-32(LS)**.

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

2013 MAY -2 PM 2:14

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 101-37 (LS)

Introduced by:

Michael F.Q. San Nicolas

AN ACT TO AMEND §24204 OF ARTICLE 2, CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED; RELATIVE TO REDUCING THE STATUTE OF LIMITATIONS ON THE COLLECTION OF REAL PROPERTY TAX DUE TO THE GOVERNMENT OF GUAM FROM THIRTY (30) YEARS TO TEN (10) YEARS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act shall be cited as the "Responsible
3 Real Property Tax Statute of Limitations Act."

4 Section 2. Legislative Findings and Intent. I Liheslaturan Guåhan
5 finds that the thirty (30) year statute of limitations on Guam's Real
6 Property Tax was established as part of the general enactment of the Real
7 Property Tax, signed into law by Governor Carlton Skinner on Wednesday,
8 August 29, 1951, as Public Law 1-32.

9 I Liheslatura finds that some members of the community have been
10 informed of tax assessments that extend to the thirty (30) year statute of
11 limitations of the tax. This poses a problem because it would be difficult
12 for an individual to prove that the tax had been duly paid up to thirty (30)

1 years prior. Further, if the tax record from up to thirty (30) years ago is in
2 error, and the taxpayer does not have records, then it would be an injustice
3 to make a taxpayer bear the burden of the government's mistake. It is
4 overly burdensome on the individual taxpayer to expect that property tax
5 records *shall* be maintained for thirty (30) years.

6 *I Liheslaturan Guåhan* further finds that the taxes which are
7 administered by the Department of Revenue and Taxation under the
8 United States Internal Revenue Code, pursuant to §1421(i) of the Organic
9 Act of Guam, have a statute of limitations of ten (10) years.

10 In the interest of property owners, *I Liheslatura* finds that the statute
11 of limitations on the Real Property Tax should reflect the ten (10) year
12 statute of limitations of the mirror Internal Revenue Code.

13 It is therefore the intent of *I Liheslatura* that the statute of limitations
14 on the Real Property Tax be reduced to ten (10) years, which is consistent
15 with other taxes administered by the Department of Revenue and Taxation,
16 pursuant to the Internal Revenue Code.

17 **Section 3. Removal of the Real Property Tax Lien.** § 24204 of
18 Article 2, Chapter 24, Title 11, Guam Code Annotated hereby *amended*, to
19 read:

20 **“§ 24204. Same: Removal.**

21 After ten (10) ~~thirty (30)~~ years succeeding the time, heretofore or
22 hereafter, when any tax becomes a lien, *if* the lien has not been otherwise

1 removed, *then* the lien ceases to exist and the tax *is* conclusively presumed
2 to have been paid. The tax collector *shall* mark the tax paid in the records.”

3 **Section 4. Effect upon Enactment: Payments Made Prior to**
4 **Enactment for Liens Ten (10) Years or Older.** No payment made prior to
5 the date of enactment of this Act to the government of Guam *shall* be held
6 invalid due to the provisions of § 3 of this Act.