

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 14-32 (COR)**

AN ACT TO ADD A NEW §(e) TO §5123 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO MANDATING THE PURCHASE OR LEASE OF VEHICLES BY THE GOVERNMENT OF GUAM SHALL MEET OR EXCEED A MINIMUM AVERAGE COMBINED CITY AND HIGHWAY MILES PER GALLON (MPG) OF TWENTY-FIVE MILES PER GALLON (25 MPG); TO ADD A NEW §(f) TO §5123 OF CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED, TO ALLOW CERTAIN SPECIALTY VEHICLES TO BE EXCLUDED FROM THE PROVISIONS OF TIDS ACT.

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

- Does the bill contain "revenue generating" provisions? / x / Yes // 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? // Yes / x / No
If yes, will the program duplicate existing programs/agencies? // N/A // Yes / x / 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: / x / Yes // No
/ x / Requested agency comments not received as of the due date // Other:

Analyst: Michael M. Aflague, B&M Analyst IV Date: 2/27/13 Director: John A. Rios, Director Date: FEB 28 2013

Footnotes: On average, the cost to procure a vehicle powered by a 6-cyl engine and which typically yields a *Combine MPG* less than 25, is roughly 23% more when compared to a vehicle with a 4-cyl powertrain. Further, the estimated fuel variance between a 6-cyl and 4-cyl vehicle is approximately 22% more (annually). Data presented on the attachment are based on averages of three (3) mid-size vehicles and MPG data from the 2012 Fuel Economy Guide (ref. attachment).

Attachment 1 - Bill 14-32 (COR)

Vehicle Cost (estimation)

Mid-size Vehicle 2012 Make/Model	Engine	Combined MPG 1/	Kelly Blue Book 2/	Variance	%
Ford Fusion	6-cyl	21	\$ 25,812		
Ford Fusion	4-cyl	26	\$ 22,192	\$ 3,620	16%
Mazda-6	6-cyl	21	\$ 25,353		
Mazda-6	4-cyl	25	\$ 19,524	\$ 5,829	30%
Nissan Altima	6-cyl	23	\$ 24,333		
Nissan Altima	4-cyl	27	\$ 19,712	\$ 4,621	23%
			Avg	\$ 4,690	23%

Fuel Cost (estimation)

Mid-size Vehicle 2012 Make/Model	City 3/	Fuel Price 4/ as of 2/27/13 Reg Unleaded	Annual Fuel Cost 5/	Variance	% Variance
Ford Fusion (6 cyl)	18	\$ 4.97	\$ 4,142		
Ford Fusion (4 cyl)	23	\$ 4.97	\$ 3,241	\$ 900	28%
Mazda-6 (6 cyl)	18	\$ 4.97	\$ 4,142		
Mazda-6 (4 cyl)	22	\$ 4.97	\$ 3,389	\$ 753	22%
Nissan Altima (6 cyl)	20	\$ 4.97	\$ 3,728		
Nissan Altima (4 cyl)	23	\$ 4.97	\$ 3,241	\$ 486	15%
			Avg	\$ 713	22%

Footnote(s):

- 1/ 2012 Fuel Economy Guide - www.fueleconomy.gov
- 2/ Quote run-date 2/27/13 - based on Zip Code: 96910 - excludes Guam markup, fees, overhead
- 3/ For purposes of fuel cost consumption, Guam may be considered stop-and-go traffic (City)
- 4/ Mobil and 76-Gas Stations
- 5/ Assumes vehicle is driven 15,000 miles annually

2/27/13

Gas prices up by 10 cents, could pose economic concerns

Gas prices up by 10 cents, could pose economic concerns

WEDNESDAY, 13 FEB 2013 03:00AM BY JOY WHITE | VARIETY NEWS STAFF HITS: 339



SHARE

FOR the second time in a month, gas prices saw another 10-cent increase yesterday.

Mobil has raised the price of regular unleaded gas from \$4.87 to \$4.97 per gallon. As of yesterday afternoon, 76 and Shell gas stations had not increased their prices, but they traditionally follow suit.

Gary Hiles, chief economist with the Department of Labor, said a 10-cent-per-gallon increase could cost Guam consumers about \$4.5 million annually if the increase remained for a year.

The increase could lead to more economical concerns, such as higher electrical rates and prices for goods.

He said since gasoline has become a significant portion of a household's expense, the rise in gas prices will result in a reduction in the quantity of gas purchased, but more money spent on gas, which would leave less for expenditures on other items.

Hiles added that the visitor industry will be affected if jet fuel prices increase, as most of the visitors to Guam are transported by jets. If jet prices increase, so would travel to Guam.

According to Guam Energy Office statistics, oil companies sold about 45 million gallons of gas on Guam in 2012. The total dollar value of gasoline sold on Guam at the current price would be about \$224 million annually.



Mobil has raised the price of regular unleaded gas from \$4.87 to \$4.97 per gallon. Gary Hiles, chief economist with the Department of Labor, said a 10-cent-per-gallon increase could cost Guam consumers about \$4.5 million annually if the increase remained for a year. Photo by Matt Weiss / Variety

Manufacturer Model Configuration (trans, eng size, cyl)	MPG		Annual Fuel Cost	Notes	Manufacturer Model Configuration (trans, eng size, cyl)	MPG		Annual Fuel Cost	Notes
	City/Hwy	Comb				City/Hwy	Comb		
Challenger A-5, 3.6L, 6cyl	18/27	21	\$2,700		JAGUAR XF				
A-5, 5.7L, 8cyl	16/25	19	\$3,050	Mid	A-S6, 5.0L, 8cyl	16/23	19	\$3,200	P
M-6, 5.7L, 8cyl	15/23	18	\$3,350	P	A-S6, 5.0L, 8cyl	16/21	17	\$3,650	P B
Challenger SRT8 A-5, 6.4L, 8cyl	14/23	17	\$3,550	P Tax	KIA Forte				
M-6, 6.4L, 8cyl	14/23	17	\$3,550	P Tax	A-6, 2.0L, 4cyl	29/36	29	\$1,950	
FERRARI FF					M-6, 2.0L, 4cyl	25/34	29	\$1,950	
AM-7, 6.3L, 12cyl	11/17	13	\$4,650	P Tax D	A-6, 2.4L, 4cyl	23/32	26	\$2,150	
AM-7, 6.3L, 12cyl	11/17	13	\$4,650	P Tax D SS	M-6, 2.4L, 4cyl	22/32	26	\$2,150	
FORD Fusion AWD					Forte Eco				
A-S6, 3.5L, 6cyl	17/25	19	\$2,950		A-6, 2.0L, 4cyl	27/37	30	\$1,850	
Fusion AWD FFV					Optima				
A-S6, 3.0L, 6cyl	18/26	20	\$2,850	E85	A-6, 2.0L, 4cyl	22/34	26	\$2,150	T
Fusion FWD	13/19	16	\$3,450	E85	A-6, 2.4L, 4cyl	24/35	28	\$2,000	
A-S6, 2.5L, 4cyl	22/30	25	\$2,250		M-6, 2.4L, 4cyl	24/35	28	\$2,000	
A-6, 2.5L, 4cyl	23/33	26	\$2,150		Optima Hybrid				
M-6, 2.5L, 4cyl	22/29	24	\$2,350		A-6, 2.4L, 4cyl	34/39	38	\$1,550	HEV
A-S6, 3.5L, 6cyl	18/27	21	\$2,700		LEXUS ES 350				
Fusion FWD FFV					A-S6, 3.5L, 6cyl	19/28	22	\$2,550	
A-S6, 3.0L, 6cyl	20/28	23	\$2,450		LS 460				
Fusion Hybrid FWD	41/36	39	\$1,450	HEV	A-S8, 4.6L, 8cyl	16/24	19	\$3,200	P
AV, 2.5L, 4cyl	14/21	16	\$3,250	E85	LS 460 AWD				
Fusion S FWD					A-S8, 4.6L, 8cyl	16/23	18	\$3,350	P
M-6, 2.5L, 4cyl	22/32	25	\$2,250		LS 460 L				
HYUNDAI Lantra					A-S8, 4.6L, 8cyl	16/23	18	\$3,350	P
A-6, 1.8L, 4cyl	28/38	32	\$1,750		LS 800h L				
M-6, 1.8L, 4cyl	28/38	32	\$1,750		AV-S8, 5.0L, 8cyl	19/23	20	\$3,050	HEV P
Sonata Hybrid					LINCOLN MKZ AWD				
A-6, 2.4L, 4cyl	34/39	38	\$1,550	HEV	A-S6, 3.5L, 6cyl	17/25	19	\$2,950	
INFINITI 25					MKZ FWD				
A-S7, 2.5L, 6cyl	20/29	23	\$2,850	P	A-S6, 3.5L, 6cyl	18/27	21	\$2,700	
25x					MKZ Hybrid FWD				
A-S7, 2.5L, 6cyl	19/27	22	\$2,750	P	AV, 2.5L, 4cyl	41/36	39	\$1,450	HEV
37					MAZDA 3 DI 5-Door				
A-S7, 3.7L, 6cyl	19/27	22	\$2,750	P	A-S6, 2.0L, 4cyl	28/39	32	\$1,750	
M-6, 3.7L, 6cyl	17/25	19	\$3,200	P	M-6, 2.0L, 4cyl	27/38	31	\$1,800	
37x					6				
A-S7, 3.7L, 6cyl	18/26	20	\$3,050	P	A-S6, 2.5L, 4cyl	22/31	25	\$2,250	
35h					M-6, 2.5L, 4cyl	21/30	24	\$2,350	
A-S7, 3.5L, 6cyl	27/32	29	\$2,100	HEV P	A-S6, 2.5L, 4cyl	18/27	21	\$2,700	
37					Speed 3				
A-S7, 3.7L, 6cyl	18/26	21	\$2,900	P	M-6, 2.3L, 4cyl	18/25	21	\$2,900	P T
37x					MERCEDES-BENZ E350				
A-S7, 3.7L, 6cyl	17/24	20	\$3,050	P	A-7, 3.5L, 6cyl	20/30	23	\$2,650	P
58					E350 4matic				
A-S7, 5.6L, 8cyl	16/24	19	\$3,200	P	A-7, 3.5L, 6cyl	19/29	23	\$2,650	P
56x					E350 Bluetec				
A-S7, 5.6L, 8cyl	16/23	18	\$3,350	P	A-7, 3.0L, 6cyl	21/32	25	\$2,500	D T

Manufacturer Model Configuration (trans, eng size, cyl)	MPG		Annual Fuel Cost	Notes	Manufacturer Model Configuration (trans, eng size, cyl)	MPG		Annual Fuel Cost	Notes
	City/Hwy	Comb				City/Hwy	Comb		
E550 4matic					S80 FWD				
A-7, 4.7L, 8cyl	16/26	20	\$3,050	P T	A-S6, 3.2L, 6cyl	20/24	23	\$2,450	
E63 AMG					LARGE CARS				
A-7, 5.5L, 8cyl	15/24	19	\$3,200	P T	AUDI A8 L				
MITSUBISHI Galant					A-S6, 4.2L, 8cyl	18/28	21	\$2,900	P
A-S4, 2.4L, 4cyl	21/30	24	\$2,350		A-S8, 6.3L, 12cyl	14/21	18	\$3,800	P Tax
NISSAN Altima					BMW 535i Gran Turismo				
AV-S6, 2.5L, 4cyl	20/27	27	\$2,100		A-S8, 3.0L, 6cyl	19/28	22	\$2,750	P T
AV-S6, 3.5L, 6cyl	20/27	23	\$2,450		535i xDrive Gran Turismo				
Leaf					A-S8, 3.0L, 6cyl	18/27	21	\$2,900	P T
A-1	106/92	99	\$600	Elec	550i Gran Turismo				
Maxima					A-S8, 4.4L, 8cyl	15/22	18	\$3,350	P T
AV-S6, 3.5L, 6cyl	19/26	22	\$2,750	P	550i xDrive Gran Turismo				
Subaru					A-S8, 4.4L, 8cyl	15/19	17	\$3,550	P T
AV, 2.0L, 4cyl	27/34	30	\$1,850		740i				
M-6, 2.0L, 4cyl	24/31	27	\$2,100		A-S6, 3.0L, 6cyl	17/25	20	\$3,050	P T
AV-S6, 2.5L, 4cyl	24/30	26	\$2,150		740Li				
M-6, 2.5L, 4cyl	21/26	24	\$2,550	P	A-S6, 3.0L, 6cyl	17/25	20	\$3,050	P T
SAAB 9-5 Sedan					750i				
A-S6, 3.0L, 6cyl	18/28	22	\$2,550	T	A-S6, 4.4L, 8cyl	15/22	17	\$3,550	P T Tax
A-S6, 3.0L, 6cyl	13/21	16	\$3,250	E85	750i xDrive				
M-6, 2.0L, 4cyl	20/33	26	\$2,150	T	A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
9-5 Sedan AWD	15/23	18	\$3,900	E85	750Li				
A-S6, 2.8L, 6cyl	17/27	20	\$2,800	T	A-S6, 4.4L, 8cyl	14/22	17	\$3,550	P T Tax
SUBARU Legacy AWD					750Li xDrive				
AV, 2.5L, 4cyl	23/31	26	\$2,150		A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
M-6, 2.5L, 4cyl	19/27	22	\$2,550		760Li				
M-6, 2.5L, 4cyl	18/25	21	\$2,900	P T	A-S8, 6.0L, 12cyl	13/19	15	\$4,050	P T Tax
A-S5, 3.6L, 6cyl	18/25	20	\$2,800		ActiveHybrid 7L				
TOYOTA Camry					A-S8, 4.4L, 8cyl	17/24	20	\$3,050	HEV P T
A-S6, 2.5L, 4cyl	25/35	28	\$2,000		Alpina B7 LWB				
A-S6, 3.5L, 6cyl	21/30	25	\$2,250		A-S6, 4.4L, 8cyl	14/22	17	\$3,550	P T Tax
Camry Hybrid LE	43/39	41	\$1,350	HEV	A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
Camry Hybrid XLE	40/38	40	\$1,400	HEV	Alpina B7 LWB xDrive				
Prius					A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
AV, 1.8L, 4cyl	51/48	50	\$1,150	HEV	Alpina B7 SWB				
Prius Plug-In Hybrid					A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
AV, 2.5L, 4cyl					Alpina B7 SWB xDrive				
VOLKSWAGEN Passat					A-S6, 4.4L, 8cyl	14/20	16	\$3,800	P T Tax
A-S6, 2.5L, 5cyl	22/31	25	\$2,250		CHEVROLET Impala				
M-5, 2.5L, 5cyl	22/32	26	\$2,150		A-6, 3.6L, 6cyl	18/30	22	\$2,550	
A-S6, 3.6L, 6cyl	20/28	23	\$2,650	P	A-6, 3.6L, 6cyl	18/30	22	\$2,550	
A-S6, 2.0L, 4cyl	30/40	34	\$1,850	D T	A-6, 3.6L, 6cyl	13/22	16	\$3,250	E85
M-6, 2.0L, 4cyl	31/43	35	\$1,800	D T	CHRYSLER 300				
VOLVO S80 AWD					A-5, 3.6L, 6cyl	18/27	21	\$2,700	
A-S6, 3.0L, 8cyl	18/26	21	\$2,700	T	A-5, 5.7L, 8cyl	16/25	19	\$3,050	Mid