

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
167-32 (LS)	R. J. Respicio	AN ACT TO REPEAL § 23113 OF CHAPTER 23, TITLE 22 OF THE GUAM CODE ANNOTATED TO REMOVE THE CURRENT TAX EXEMPTION ON PREMIUMS COLLECTED BY INSURANCE COMPANIES AS PART OF THE QC PROGRAM.	08/13/13 10:47 a.m.	08/13/13	Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens	9/23/13 6:00pm		Fiscal Note Request Received 08/21/13 Fiscal Note Received 10/17/13



COMMITTEE ON RULES

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

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Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

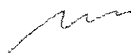
Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

October 17, 2013

Memorandum

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

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

Subject: **Fiscal Notes /Waivers**

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 NOTES:

- Bill No. 167-32(LS)
- Bill No. 186-32(COR)
- Bill No. 192-32(COR)
- Bill No. 205-32(COR)

WAIVERS:

- Bill No. 179-32(COR)
- Bill No. 198-32(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 OCT 17 PM 3:30


**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO
GOVERNORJOHN A. RIOS
DIRECTORRAY TENORIO
LIEUTENANT GOVERNOR

OCT 17 2013

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 Fiscal Note on the following Bill Nos.: 167-32(LS), 186-32(COR), 192-32(COR), 205-32(COR) and Fiscal Note Waiver on the following Bill Nos.: 179-32(COR), and 138-32(COR).

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

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS
Director

Enclosures
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 167-32 (LS)**

AN ACT TO REPEAL § 23113 OF CHAPTER 23, TITLE 22 OF THE GUAM CODE ANNOTATED TO REMOVE THE CURRENT TAX EXEMPTION ON PREMIUMS COLLECTED BY INSURANCE COMPANIES AS PART OF THE QC PROGRAM.

Department/Agency Appropriation Information

Dept./Agency Affected:	Dept./Agency Head:
Department's General Fund (GF) appropriation(s) to date:	8,196,472
Department's Other Fund (Specify) appropriation(s) to date: 5821,435 (Tax Collection Enhancement Fund) / \$1,620,468 (Better Public Service Fund)	2,441,903
Total Department/Agency Appropriation(s) to date:	\$10,638,375

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (Bill No. 1(4-S))	\$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 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? /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: /x/ Yes // No
/x/ Requested agency comments not received by due date // Other:

10/17/13

Analyst: Michael M. Aflague, B&M Analyst IV Date: 10/5/13 Director: John A. Rios, Director Date: **OCT 17 2013**

Footnotes: see attachment for revenue generating provisions.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 167-32 (LS)
(for revenue generating provisions)

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	1/	\$0	\$0	\$0	\$0
Other Fund:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$0	\$0	\$0	\$0	\$0

Comments:

1/ Bill 167-32 seeks to repeal § 23113 of Chapter 23, Title 22 GCA and would require captive insurers to pay taxes on its premiums and other insurance income. Although the Bureau was unable to obtain fiscal data from the Department of Revenue and Taxation, OPA Report No. 13-02 disclosed a \$95.2M economic loss (forgone tax revenues) during an audit of one of two insurance beneficiaries. The Bureau anticipates such economic loss to be greater as it involves multiple beneficiaries under the existing QC Program.



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Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

August 21, 2013

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

VIA E-MAIL
john.rios@bhmrguam.gov

Senator
Vicente (Ben) C. Pangelinan
Member

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

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

RE: Request for Fiscal Notes– Bill Nos. 166 through 171-32 (LS)

Senator
Dennis G. Rodriguez, Jr.
Member

Hafa Adai Mr. Rios:

Vice-Speaker
Benjamin J.F. Cruz
Member

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

Legislative Secretary
Tina Rose Muña Barnes
Member

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

Senator
Frank Blas Aguon, Jr.
Member

Very Truly Yours,

Senator
Michael E.Q. San Nicolas
Member

Senator Rory J. Respicio
Chairperson, Committee on Rules

Senator
V. Anthony Ada
Member
MINORITY LEADER

Attachments (1)

Senator
Aline Yamashita
Member

Cc: Clerk of the Legislature

2013 AUG 21 AM 9:37

Bill Nos.	Sponsor	Title
166-32 (LS)	Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D., B.J.F. Cruz	AN ACT TO TRANSFER TITLE OF LOT NO. 5397 MUNICIPALITY OF BARRIGADA, GUAM TO THE UNIVERSITY OF GUAM.
167-32 (LS)	R.J. Respicio	AN ACT TO REPEAL § 23113 OF CHAPTER 23, TITLE 22 OF THE GUAM CODE ANNOTATED TO REMOVE THE CURRENT TAX EXEMPTION ON PREMIUMS COLLECTED BY INSURANCE COMPANIES AS PART OF THE QC PROGRAM.
168-32 (LS)	T.R. MUÑA Barnes	AN ACT TO REZONE LOT NOS. 22 AND 23, BLOCK NO. 4, TRACT NO. 170, WEST ACRESUBDIVISION, DEDEDO, GUAM FROM SINGLE- FAMILY DWELLING ZONE (R-1) TO MULTIPLE- FAMILY DWELLING ZONE (R-2)
169-32 (LS)	T.R. MUÑA Barnes	AN ACT TO REZONE LOT NO. 5168-4, LOCATED IN THE MUNICIPALITY OF TAMUNING, FROM SINGLE-FAMILY DWELLING ZONE (R1) TO LIGHT INDUSTRIAL ZONE (M1).
170-32 (LS)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SUBSECTION (w) TO §8104, TO AMEND §8139.1, TO AMEND SUBSECTION 8143(j), TO AMEND §8144, §8145, §8146, §8149, §8150, §8151, §8152, §8153, §8154, §8156, §8157, §8158, and §8158.1 ALL OF ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE THE DEFINED BENEFITS PLAN OF THE GOVERNMENT OF GUAM RETIREMENT FUND.
171-32 (LS)	V. Anthony Ada, B. J.F. Cruz	AN ACT TO AMEND §§ 3114 OF 16GCA, 57103 OF 10GCA, 4121 OF 4GCA AND 1107 OF 17GCA RELATIVE TO GOVERNMENT OF GUAM ID CARDS ISSUED TO PERSONS UNDER 21 YEARS OF AGE.



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Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

August 13, 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. 167-32(LS)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 167-32(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

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

Bill No. 167-32 (LS)

Introduced by:

R.J. RESPICIO 

AN ACT TO REPEAL § 23113 OF CHAPTER 23,
TITLE 22 OF THE GUAM CODE ANNOTATED TO
REMOVE THE CURRENT TAX EXEMPTION ON
PREMIUMS COLLECTED BY INSURANCE
COMPANIES AS PART OF THE QC PROGRAM.

2013 AUG 13 AM 10:47 

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **SECTION 1. Legislative Findings.** In 1996, Public Law 23-109 was

3 enacted into law with the intent of promoting economic development

4 through the creation of a captive insurance industry. As part of this effort,

5 authorization was granted for qualifying certificates providing for tax

6 exemptions on premiums collected for participating insurance companies.

7 In the 16 years since the enactment of this exemption, the captive insurance

8 industry in Guam has not produced sufficient job growth or business

9 opportunity expansion to justify the continuation of this tax exemption and

10 the attendant loss of revenue to the government of Guam. Given these

11 circumstances and inasmuch as the Governor of Guam has called for the

12 elimination of this exemption, the Legislature finds that this exemption

1 should be removed and all QCs issued to insurance companies under this
2 statute should be terminated.

3 **SECTION 2.** § 23113 of Chapter 23, Title 22 of the Guam Code
4 Annotated is hereby repealed.

5 **SECTION 3.** To the extent legally permissible, The Guam Economic
6 Development Authority is hereby directed to terminate all qualifying
7 certificates issued under the provision of § 23113 of Chapter 23, Title 22 of
8 the Guam Code Annotated prior to the enactment of this Act.

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