



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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February 18, 2013

## Memorandum

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

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

**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.

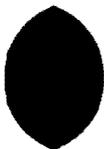
Bill Nos.: 24-32 (COR), 33-32 (COR), 34-32 (COR, and 36-32 (COR)

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 FEB 18 AM 10:33

*RS*

**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

FEB 15 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.: 24-32(COR), 33-32(COR), 34-32(COR), and 36-32(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. 36-32 (COR)**

**AN ACT TO ADD A NEW (e) AND (f) TO §30111 OF CHAPTER 30, TITLE 22, GUAM CODE ANNOTATED AND A NEW §24307.1, §24307.2, §24307.3, §24307.4, §24307.5, §24307.6, §24307.7 TO CHAPTER 24, TITLE II, GUAM CODE ANNOTATED, RELATIVE TO REQUIRING REAL ESTATE APPRAISERS TO SUBMIT VALUATIONS TO THE DEPARTMENT OF REVENUE AND TAXATION AND TO AUTHORIZE THE DEPARTMENT OF REVENUE AND TAXATION TO ADJUST PROPERTY TAX ASSESSMENTS THEREWITH.**

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
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$11,241,451</b>

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance <sup>1</sup>		\$0	\$0
FY 2013 Adopted Revenues	\$561,985,725	\$0	\$561,985,725
FY 2013 Appro. (P.L. 31-233)	(\$48,971,874)	0	(\$48,971,874)
Sub-total:	13,013,851	0	13,013,851
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$13,013,851</b>	<b>\$0</b>	<b>\$13,013,851</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? / / 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 as of the due date / / Other:

*8/2/13*

Analyst: <u>Michael M. Aflague, B&amp;M Analyst IV</u>	Date: <u>19 Feb 13</u>	Director: <u>John A. Rios, Director</u>	Date: <b>FEB 15 2013</b>
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Footnotes: Reference attachment.

### **Comments on Bill No. 36-32**

This proposed legislation is proposing to revamp the government of Guam's assessment valuation process by incorporating new sections within §24307 and §30111 and such act is to be entitled, "The Responsible Property Valuation Act."

Section 3 of this legislation is adding new subsections (e) and (f) to §30111 which requires license appraisers to submit all completed appraisal reports to the Department of Revenue and Taxation (DRT) within 5 business days, and having and for calendar year 2013 to submit all recent appraisals on all properties for five years prior to January 1, 2013 within 10 business days after the enactment of this Act.

Section 4 is adding new sections of §24307.1, §24307.2, §24307.3, §24307.4, §24307.5, §24307.6, §24307.7 TO Chapter 24, Title 11, Guam Code Annotated. Section 24307.1 requires DRT to update all existing property assessments on the rolls of the government of Guam to reflect recent appraisals of licensed appraisers within 60 days after the enactment of this Act. Section 24307.2 requires un-assessed properties be identified and scheduled for assessment and appraisal no later than 90 days after the enactment of this Act. Section 24307.3 requires DRT to notify property owners of the reassessment of their properties within 10 days of the reassessed properties. Section 2407.4 sets the effective date of tax adjustment of real property identified in DRT's tax roll. Section 24307.5 requires all properties be subject to ongoing assessments and every 5 years thereafter DRT is to identify un-assessed properties for assessments and appraisals. Section 24307.6 provides the recourse for property owners to petition to reappraise should their property suffers property loss due to natural or man-made occurrences. Section 24307.7 repeals and reenacts these same provisions after the full execution of §24307.1.

The intent of this proposed legislation is to apply private resources to reassess private properties identified in the tax roll. The potential savings of public funding can be high as \$3.0 Million or more, which represents the cost of completing the tri annual assessments required of DRT. However, the proposed use of private appraisals prepared by private licensed appraisers may be too intrusive to the proprietary nature of such documents that may be cause for litigation should this legislation be passed. Such potential litigation may hinder reassessments or placed existing property assessments in abeyance that will impact the collection of real property taxes. Such action would profoundly impact Public Education.