

I Mina'Trentai Dos Na Liheslaturan Received
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
388-32 (LS)	Brant T. McCreadie, T.A. Morrison, T.R. Muña Barnes, V. Anthony Ada	AN ACT TO ADD A NEW ARTICLE 6 TO CHAPTER 77, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE ISSUANCE OF TAX CREDITS FOR CONTRIBUTORS TO THE RENOVATION AND EXPANSION OF THE TIYAN GYMNASIUM.	8/13/14 5:48 p.m.	08/14/14	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land	09/09/14 4:00 p.m.		Fiscal Note Request 8/15/14 Fiscal Note Recd 9/19/14



COMMITTEE ON RULES

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

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

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MAJORITY LEADER

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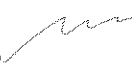
Senator
V. Anthony Ada
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MINORITY LEADER

Senator
Aline Yamashita
Member

September 19, 2014

Memorandum

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

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

Subject: **Fiscal Notes & Waiver**

Hafa Adai!

Attached please find the fiscal notes and waiver for the bill numbers listed below. Please note that the fiscal note and waiver is issued on the bills as introduced.

FISCAL NOTE:

Bill No. 281-32 (COR)

Bill No. 285-32 (COR)

Bill No. 388-32 (LS)

Bill No. 395-32 (COR)

WAIVER:

Bill No. 346-32(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'!

2014 SEP 19 AM 11:54

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932**EDDIE BAZA CALVO**
GOVERNOR**ANTHONY C. BLAZ**
ACTING DIRECTOR**RAY TENORIO**
LIEUTENANT GOVERNOR**JOSE S. CALVO**
ACTING DEPUTY DIRECTOR**SEP 18 2014**

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Dos na Liheslaturan Guåhan
The 32nd Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 281-32(COR), 285-32(COR), 388-32(LS), 395-32(COR) and Fiscal Note Waiver on the following Bill No.: 346-32(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 "Anthony C. Blaz".

ANTHONY C. BLAZ
Acting Director

Enclosures

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 388-32 (LS)**

AN ACT TO ADD A NEW ARTICLE 6 TO CHAPTER 77, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE ISSUANCE OF TAX CREDITS FOR CONTRIBUTORS TO THE RENOVATION AND EXPANSION OF THE TIYAN GYMNASIUM.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	8,196,472
Department's Other Fund (Specify) appropriation(s) to date: \$821,435 (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:	(Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2014 Adopted Revenues	\$0	\$0	\$0
FY 2014 Appro. (P.L. 32-68)	\$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 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- 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 by due date / / Other:

Analyst: Michael M. Aflague, B&M Analyst IV Date: 9/16/14 Director: Anthony C. Blaz, Acting Director Date: SEP 18 2014

Bill 388-32 establishes a maximum of \$2.5M in tax credits over a 10 (ten) year period not to exceed \$250K annually for qualified entities. P.L. 32-181 (General Appropriations Act of FY 2015) fully appropriates revenues derived from the Business Privilege Taxes (BPT) including the GMHA Pharmaceutical Fund, Additional Child Tax Credit (ACTC) authorized for the Lease - Tiyan Campus and debt service payment for Series 2011A, 2012B and 2013C bonds. The Bureau notes concerns as to the viability of any 'unpledged tax credits' in which Bill 388-32 extends. In addition, the following comments were provided by the Department of Revenue and Taxation: 1) Although the Bill specifies unpledged business privilege taxes, it may affect the government's bond rating; 2) Cash would be impacted \$250K less each year for ten years; 3) Bill 388-32 would compete with other proposed legislation (i.e., Bill 393-32) which also seek unpledged BPT; (4) Competes with credits remaining for Layon property owner's outstanding balances and; (5) BPT revenues would be further limited given the passage of P.L. 32-181 in that tax credits are no longer allowed against alcohol and tobacco taxes.



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Member

August 15, 2014

VIA E-MAIL
joey.calvo@bbmr.guam.gov

Jose S. Calvo
Acting Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 388-32 (LS) through 390-32 (LS)

Hafa Adai Mr. Calvo:

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.

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

Very Truly Yours,

Senator Rory J. Respicio
Chairperson of the Committee on Rules

Attachment (1)

Cc: Clerk of the Legislature

Bill Nos.	Sponsors	Title
388-32 (LS)	Brant T. McCreadie, T.A. Morrison, T.R. Muña Barnes, V. Anthony Ada	AN ACT TO ADD A NEW ARTICLE 6 TO CHAPTER 77, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE ISSUANCE OF TAX CREDITS FOR CONTRIBUTORS TO THE RENOVATION AND EXPANSION OF THE TIYAN GYMNASIUM.
389-32 (LS)	Brant T. McCreadie, Chris M. Dueñas , V. Anthony Ada, Michael T. Limtiaco, Tommy Morrison, Aline A. Yamashita, Ph.D.	AN ACT TO APPROPRIATE FUNDS FOR THE UNPAID BALANCE OF THE LAW ENFORCEMENT SALARY ADJUSTMENTS PURSUANT TO THE REQUIREMENTS OF 10 GCA, CHAPTER 55, §55102.
390-32 (LS)	Chris M. Duenas V. Anthony Ada Michael T.Limtiaco Brant T.McCreadie Tommy Morrison Aline A. Yamashita, Ph.D	AN ACT TO APPROPRIATE FUNDS FOR THE PAYMENT OF THE REMAINING FIFTY PERCENT (50%) IMPLEMENTATION OF THE SALARY ADJUSTMENTS PURSUANT TO THE COMPETITIVE WAGE ACT OF 2014.



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MINORITY LEADER


Senator
Aline Yamashita
Member

August 14, 2014

MEMORANDUM

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

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio** 
Chairperson of the Committee on Rules

Subject: Referral of Bill No. 388-32(LS)

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 388-32(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

MINA' TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 300-32(L5)

Introduced by:

Brant T. McCreadie
T. Morrison
TK Muth Bann
V. ANTHONY ADA

**AN ACT TO ADD A NEW ARTICLE 6 TO CHAPTER
77, DIVISION 2, TITLE 12, GUAM CODE
ANNOTATED RELATIVE TO AUTHORIZING THE
ISSUANCE OF TAX CREDITS FOR
CONTRIBUTORS TO THE RENOVATION AND
EXPANSION OF THE TIYAN GYMNASIUM.**

2014 AUG 13 PM 5:48 OF

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that
3 a Memorandum of Understanding between the Guam Department of Parks and
4 Recreation, with the concurrence of the Office of the Attorney General and approval
5 by *I Maga'Lahen Guåhan*, and the Guam Basketball Confederation was entered into
6 in November 2013. *I Liheslaturan Guåhan* further finds that the Department of Parks
7 of Recreation currently does not have the resources to renovate and reopen the Tiyan
8 Gymnasium. Because of this, *I Liheslaturan Guåhan* finds that the public private
9 partnership with the Guam Basketball Confederation presents an opportunity for a
10 positive public-private partnership to renovate and expand the Tiyan Gymnasium and
11 facilities for use by the community.

1 **§ 77608. Rules and Regulations.**

2 **§ 77609. Licensing Agreement for Tiyan Gymnasium to Guam**
3 **Basketball Confederation.**

4
5 **§ 77601. Credit Against Eligible Taxes.**

6 (a) To the extent that any business contributes the actual cost of design,
7 labor and materials that are for the rehabilitation and improvement of the
8 Department of Parks and Recreation (DPR) Tiyan Gymnasium and facilities, it
9 shall be entitled to credit of business privilege taxes that are not already pledged
10 for any purpose by Guam law. The basis for contribution to the project shall be
11 the actual cost of the contribution plus the cost of transportation from the point
12 of origin to its destination.

13 (b) Any unused credits not used in the current tax period may be carried
14 over into subsequent tax periods until such credits are exhausted.

15 (c) The total credits allowed under this Act shall not exceed the actual
16 dollar amount of the expenditures on the project.

17 **§ 77602. Limits of Liability.**

18 Unless a contractor, materials supplier, designer or landlord/lessor has
19 direct involvement in the operations of the Tiyan gymnasium and facilities as a
20 director, officer, manager, employee, representative or agent of the Guam
21 Basketball Confederation, they shall not be held liable for any civil or criminal
22 damages or penalties directly or indirectly arising from or related to the
23 operations, any use, or possession of the gymnasium and facilities, unless it can
24 be proven that the materials or design work provided were substandard. As the
25 Tiyan gymnasium and facilities is a private venture operated by the Guam
26 Basketball Confederation, the government of Guam shall not be liable for any

1 claims or damages arising from the operation of the gymnasium and facilities.
2 The Guam Basketball Confederation, its directors, agents, consultants,
3 employees, or other affiliated person or persons shall make no representation
4 that the government of Guam has any interest in the operation of such stadium
5 and facilities.

6 **§ 77603. Fines and Penalties.**

7 To the extent that a company providing materials and services for the
8 project contained herein takes more tax benefits in terms of business privilege
9 taxes than the actual value of the materials or services contributed to the project
10 authorized herein, that company shall be required to pay all interest and
11 penalties applicable under Guam law and the Internal Revenue Code for failure
12 to pay taxes in addition to payment of the actual taxes due. To the extent that
13 any individual, officer, director or other person having interest in a company
14 providing materials or services for the project contained herein knowingly and
15 willingly cause such company to take more tax benefits in terms of business
16 privilege taxes than the actual value of the material or services contributed to
17 the project, such individual shall be guilty of a felony in the third degree
18 punishable by a fine of not less than Five Thousand Dollars (\$5,000) or one (1)
19 year in prison or both.

20 **§ 77604. Cap on Business Privilege Tax Credits for Rehabilitation**
21 **and Improvement of the Tiyan Gymnasium and Facilities.**

22 (a) The total amount of credits against unpledged Business Privilege
23 Taxes for the rehabilitation and improvement of the Tiyan Gymnasium and
24 facilities authorized herein shall not exceed Two Million Five Hundred
25 Thousand Dollars (\$2,500,000) over a ten year period. No more than Two

1 Hundred Fifty Thousand Dollars (\$250,000) in tax credits shall be authorized
2 for each year of the program.

3 (b) If, at the expiration of the ten year period authorized pursuant to this
4 Article, there are still unclaimed authorized tax credits, *I Liheslaturan Guåhan*,
5 may in its discretion, extend the eligible period until such time that all eligible
6 tax credits are exhausted.

7 (c) *I Liheslaturan Guåhan*, may in its discretion, extend the term and
8 modify any part of the program based on future improvement plans and demand
9 for such facilities in this location.

10 **§ 77605. Public Access to Tiyan Gymnasium and Facilities.**

11 As a condition for the Guam Basketball Confederation and its
12 contributors to be entitled to the tax benefits of the program established in this
13 Article, the gymnasium and facilities must be available to the general public in
14 accordance with the Memorandum of Understanding with the Department of
15 Parks and Recreation governing use of the property.

16 **§ 77606. Filing of Annual Reports.**

17 (a) The Guam Basketball Confederation shall annually submit a copy of
18 the financial statement required in 18 GCA §14102 to the Speaker of *I*
19 *Liheslaturan Guåhan*, the Public Auditor, and the Administrator of GEDA.

20 (b) The Guam Basketball Confederation must ensure that it is current
21 with all its Articles and By-Laws, and should there be any amendments to such
22 documents, it should immediately file such amendments to the Department of
23 Revenue and Taxation.

24 **§ 77607. GEDA Report.**

25 GEDA shall submit a report to *I Liheslaturan Guåhan* detailing the
26 impact of the program on the Business Privilege Taxes, sports, and economic

1 activities on Guam. GEDA shall also include in its report its monitoring efforts
2 and any other information related to the program. The report shall be
3 transmitted to *I Liheslatura* on an annual basis until the tax credit cap pursuant
4 to § 77605 of this Article is exhausted.

5 **§ 77608. Rules and Regulations.**

6 The Guam Economic Development Authority shall implement and
7 monitor the tax credit program authorized pursuant to this Article based on
8 rules and regulations already adopted by GEDA for previous tax credit
9 programs.

10 **§ 77609. Licensing Agreement for Tiyan Gymnasium to Guam**
11 **Basketball Confederation.**

12 The Department of Parks and Recreation and the Guam Basketball
13 Confederation shall enter into a license agreement for the improvement,
14 rehabilitation and maintenance of the Tiyan Gymnasium for a period of ten (10)
15 years in accordance with the provisions of the Memorandum of Understanding
16 entered into by the Guam Basketball Confederation and the Department of
17 Parks and Recreation entered into on November 21, 2013. If at any time the
18 Guam Basketball Confederation does not comply with any provision of the
19 Memorandum of Understanding, the license shall be null and void and
20 management of the property shall revert solely to the Department of Parks and
21 Recreation.”

22 **Section 3. Effective Date.** This act shall be effective immediately upon
23 enactment.

24 **Section 4. Severability.** *If* any provision of this Law or its application to any
25 person or circumstance is found to be invalid or contrary to law, such invalidity shall
26 *not* affect other provisions or applications of this Law which can be given effect

- 1 without the invalid provisions or application, and to this end the provisions of this
- 2 Law are severable.