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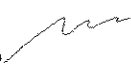
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November 6, 2014

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 fiscal notes for the bill numbers listed below. Please note that the fiscal notes are issued on the bills as introduced.

FISCAL NOTES:

- Bill No. 402-32 (COR)
- Bill No. 404-32(LS)
- Bill No. 409-32(COR)
- Bill No. 410-32(COR)
- Bill No. 411-32(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 NOV - 6 AM 11: 04

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

OCT 28 2014

JOSE C. CALVO
ACTING DEPUTY DIRECTOR

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.: 402-32(COR), 404-32(LS), 409-32(COR) and 411-32(COR).

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



ANTHONY C. BLAZ
Director

Enclosures

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 404-32 (LS)**

AN ACT TO AMEND §74103 AND §74104, AND TO ADD A NEW §74110 TO CHAPTER 74, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO ESTABLISHING MANDATORY INSPECTION AND CERTIFICATION OF ALL NONFERROUS METAL PROPERTY PRIOR TO A TRANSACTION OF SALE AT A SCRAP METAL BUSINESS.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation		Dept./Agency Head: John P. Camacho	
Department's General Fund (GF) appropriation(s) to date:		9,052,847	
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund (5864,487) / Better Public Service Fund (\$1,829,515)		2,694,002	
Total Department/Agency Appropriation(s) to date:		\$11,746,849	

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2014 Unreserved Fund Balance		\$0	\$0
FY 2015 Adopted Revenues	\$0	\$0	\$0
FY 2015 Appro. (P.L. 32-181)	\$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 2015 (if applicable)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	\$120,924	\$0	\$125,507	\$130,262	\$135,197	\$140,322
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$120,924	\$0	\$125,507	\$130,262	\$135,197	\$140,322

- 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? / / N/A / / Yes / x / No
If no, what is the additional amount required? \$ 120,924 (ref. above table) / 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. Affague, B&M Analyst IV Date: 10/16/14 Director: Anthony C. Blaz, Director Date: OCT 18 2014

Footnotes: For illustrative purposes, a recycling center on Guam receives approximately 40-tons of non-ferrous scrap metal annually. Assuming the government was to assess a \$15 fee per certificate and charge an inspection rate of \$.25 per pound of non-ferrous scrap metal, a total of \$145K may be realized annually. According to preliminary discussions with the Department of Revenue and Taxation's Weights and Measures Division, an additional staff of (3) three Weights and Measures Inspectors may be needed to support the intent of the Bill (reference attachment).

**Bureau of Budget & Management Research
Attachment to Fiscal Note No. 404-32 (COR)**

Certificates / Fees (assumptions)

Cost for ea. Certification	\$ 15.00
7 certificates issued per wk for 52-wks	\$ 5,460
Inspection rate per lbs of scrap metal	\$ 0.25
Annual scrap weight (lbs) 1/	\$ 80,000
# of Scrap Metal / Recycling Centers	7
Annual Cost of Inspection	\$ 140,000
Annual Revenue from Certificates/Fees:	\$ 145,460

Personnel Cost

Year 1

	<u>Salaries 2/</u>	<u>Benefits 3/</u>	<u>Total</u>
Weights & Measures Inspector II	\$ 31,076	\$ 11,498	\$ 42,574
Weights & Measures Inspector I	\$ 28,595	\$ 10,580	\$ 39,175
Weights & Measures Inspector I	\$ 28,595	\$ 10,580	\$ 39,175

Annual Personnel Cost: \$ 120,924

Year 2

	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
Weights & Measures Inspector II	\$ 32,253	\$ 11,934	\$ 44,187
Weights & Measures Inspector I	\$ 29,679	\$ 10,981	\$ 40,660
Weights & Measures Inspector I	\$ 29,679	\$ 10,981	\$ 40,660

Annual Personnel Cost: \$ 125,507

Year 3

	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
Weights & Measures Inspector II	\$ 33,476	\$ 12,386	\$ 45,862
Weights & Measures Inspector I	\$ 30,803	\$ 11,397	\$ 42,200
Weights & Measures Inspector I	\$ 30,803	\$ 11,397	\$ 42,200

Annual Personnel Cost: \$ 130,262

Year 4

	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
Weights & Measures Inspector II	\$ 34,744	\$ 12,855	\$ 47,599
Weights & Measures Inspector I	\$ 31,970	\$ 11,829	\$ 43,799
Weights & Measures Inspector I	\$ 31,970	\$ 11,829	\$ 43,799

Annual Personnel Cost: \$ 135,197

Year 5

	<u>Salaries</u>	<u>Benefits</u>	<u>Total</u>
Weights & Measures Inspector II	\$ 36,061	\$ 13,343	\$ 49,404
Weights & Measures Inspector I	\$ 33,182	\$ 12,277	\$ 45,459
Weights & Measures Inspector I	\$ 33,182	\$ 12,277	\$ 45,459

Annual Personnel Cost: \$ 140,322

Footnote(s):

1/ According to FSM Recycling Inc., a total of 40 tons of scrap metal is received annually (data as of 10/9/14)

2/ Recruitment @ Step-I