



COMMITTEE ON RULES

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

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April 30, 2013

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, or waivers, are issued on the bills as introduced.

FISCAL NOTES:

Bill Nos.: 62-32 (COR), 63-32(COR), 83-32(COR), 85-32(COR), 87-32(COR), and 97-32(LS)

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'ãse'!

2013 APR 30 PM 1:21

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

APR 29 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.: 62-32(COR), 63-32(COR), 83-32(COR), 85-32(COR), 87-32(COR), and 97-32(LS).

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. 83-32**

AN ACT TO AMEND §77403, §77404, §77405, AND §77407 OF CHAPTER 77, ARTICLE 4, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO THE CONSTRUCTION, DEVELOPMENT, UPGRADING, REPAIR OR MAINTENANCE OF PUBLIC SCHOOL FACILITIES

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Education		Dept./Agency Head: Jon Fernandez, Superintendent	
Department's General Fund (GF) appropriation(s) to date:		184,627,406	
Department's Other Fund (Specify) appropriation(s) to date: HFF, TEFF & GPLR		31,535,708	
Total Department/Agency Appropriation(s) to date:		\$216,163,114	

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$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? / / 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? /x/ Yes / / No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes /x/ No
/ / Requested agency comments not received as of the due date / / Other:

Analyst:  Date: 4/26/13 Director:  Date: 4/26/13
John AB Pangelinan, Acting Deputy Director John A. Rios, Director

Footnotes:

Please see attached comment sheet.

Comments on Bill No. 83-32

This proposed legislation is seeking to implement the Tax Credit Contribution for Public School Sports Facilities by amending §77403, §77404, §77405, and §77407 of Chapter 77, Article 4, Division 2, Title 12, GCA . The amendments to these sections follow:

- §77403's amendment authorizes Government of Guam to issue tax credits to include sole proprietors, and partnerships, thus broadening the number of organizations that could participate in this program. This section also qualifies the threshold of the tax credit that can be applied to the Business Privilege Tax (BPT) as the result of the BPT being a pledged funding source for the BPT Series 2011A LOB, the BPT Series 2012B LOB, and the BPT Series 2013C LOB.
- §77404's amendment reduces the initial amount of the tax credit from \$1,000,000 to \$500,000 per fiscal year for all projects approved by Superintendent of Education and the Guam Education Board.
- §77405's amendment eliminates the need to process the rules and regulations in accordance with the Administrative Adjudication Act, for promulgation by the Guam Economic Development Authority (GEDA). However such administrative rules must be submitted to the Legislature for approval within 60 days of the passage of this Act.
- §77407's amendment deleted the dollar amount for the reporting requirements under the tax credit program.

By amending these three Sections, this legislative bill effectively eliminates those impediments of this tax credit program. Assuming that such tax credit of \$500,000 is applied in the first two years after the enactment of this Act, the fiscal impact is \$500,000 each fiscal year in reduced BPT funding.