



# COMMITTEE ON RULES

*I Mina'trentai Tres na Liheslaturan Guåhån* • The 33rd Guam Legislature

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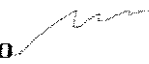
V. Anthony Ada  
MINORITY LEADER

Mary C. Torres  
MINORITY MEMBER

February 16, 2015

## Memorandum

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

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

**Subject:** **Fiscal Note and Fiscal Note Waiver**

*Hafa Adai!*

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

**FISCAL NOTE:**  
Bill No. 1-33(LS)

**WAIVER:**  
Bill No. 21-33(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'!*

2015 FEB 16 AM 10:30

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 1-33 (LS)**

**AN ACT TO TRANSFER TITLE OF LOT NO. 5397 MUNICIPALITY OF BARRIGADA, GUAM TO THE UNIVERSITY OF GUAM.**

**Department/Agency Appropriation Information**

Dept./Agency Affected: Department of Land Management	Dept./Agency Head: Michael J.B. Borja, Director
Department's General Fund (GF) appropriation(s) to date:	334,012
Department's Other Fund (Specify) appropriation(s) to date: Land Survey Revolving Fund	3,095,832
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$3,429,844</b>

**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 thru 32-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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	\$0	\$0	\$0	\$0	\$0	\$0
DPW Building & Design Fund	1/ \$3,000	\$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? /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  
// Requested agency comments not received by due date    // Other:

Analyst: Jason Baza    Date: 2/12/15    Director: Joselito Calvo    Date: **FEB 16 2015**  
 Jason W. Baza, BMA I    Joselito Calvo, Acting Director

Footnotes:  
1/ See attached comments.

**Bureau of Budget & Management Research**  
**Attachment to Fiscal Note No. 1-33 (LS)**  
**(for revenue generating provisions)**

Projected Multi-Year Revenues					
	Year 1	Year 2	Year 3	Year 4	Year 5
General Fund	\$0	\$0	\$0	\$0	\$0
DPW Building & Design Fund	<u>\$1,164</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total</b>	<b>\$1,164</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Comments:**

1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
COMMENTS ON BILL NO. 1-33 (LS)

The intent of the proposed legislation is to transfer the title to Lot No. 5397, in the municipality of Barrigada, Guam to the University of Guam (UOG). The intended purpose of the title transfer is to help facilitate the university's mission of Ina, Diskubre, Setbe and increase UOG's revenue sources, capacity building and sustainability while preserving the original intent in establishing the conservation area per GCA Chapter 75, §75104.

The specified lot has been under the purview of the UOG since January 1966 in conjunction with the Department of Land Management (DLM), Department of Agriculture (DOAg), and Department of Public Works (DPW) as a biological conservation site for protection and study of the natural soil and water conditions and all plants, animal, and water life. The specified lot houses the UOG Marine Laboratory, Marine Laboratory Visitors Housing Facility, and the Water and Environmental Research Institute. The proposed transfer will enable UOG to accommodate construction of new facilities at the Marine Lab and WERI.

Should this proposed legislation become law, UOG will have sole ownership of Lot No. 5397. Because it is the intent of the UOG to construct new facilities at the Marine Lab and WERI, the Bureau anticipates additional revenues to be received by the Government of Guam in the form of building permits to be received by DPW.

Assuming that a 3,000 square foot building is being built as part of UOG's project to enhance their conservation mission, the Bureau estimates \$3,000 will be received by the Department of Public Works in the form of building permits (working under the assumption that the permit rate is \$1/sq. ft.). Although additional infrastructure normally results in higher real property values, the Department of Revenue and Taxation cannot anticipate additional revenues in the form of increased property taxes because government properties are exempt from taxation.

However, the construction of the new building would increase the total aggregate assessed value of real property on Guam. Per the Certified 2013 Real Property Tax Assessment roll mandated by §24518, Chapter 24, Title 11 GCA, the total land and building aggregate assessed values are \$5.959 Billion and \$5.629 Billion, respectively. The combination of both the land and building assessed values creates the base for the Government of Guam's debt service ceiling, which is ten percent (10%) of the total assessed value. The construction of new facilities on the cited lot will increase the total building assessed value, thus increasing the base for the Government of Guam's debt service ceiling.

Per the DLM, the transfer of title to the UOG will not have a financial adverse impact to the DLM or the Chamorro Land Trust Commission.