



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

September 17, 2015

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Memorandum

Speaker
Judith T.P. Won Pat, Ed.D.
Member

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

Vice-Speaker
Benjamin J.F. Cruz
Member

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

Legislative Secretary
Tina Rose Muna Barnes
Member

Subject: **Fiscal Notes**

Senator
Dennis G. Rodriguez, Jr.
Member

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.

Senator
Frank Blas Aguon, Jr.
Member

FISCAL NOTES:

- Bill No. 149-33(COR)
- Bill No. 160-33(COR)
- Bill No. 161-33(COR)

Senator
Michael F.Q. San Nicolas
Member

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Senator
Nerissa Bretania Underwood
Member

Si Yu'os ma'åse'!

V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

2015 SEP 17 PM 12:34
JSM

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 160-33 (COR)**

AN ACT TO ADD A NEW ARTICLE 9 TO CHAPTER 63, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE GUAM OCEAN AND FISHERIES CONSERVATION ACT OF 2015; TO ADD A NEW SUBSECTION (d) TO § 30101 TO CHAPTER 30, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF MARINE CONSERVATION FEE, AND TO AMEND § 30107 OF CHAPTER 30, TITLE 11 GUAM CODE ANNOTATED, RELATIVE TO DEPOSIT OF FEES INTO THE GUAM OCEAN AND FISHERIES CONSERVATION AND DEVELOPMENT FUND.

| Department/Agency Appropriation Information | |
|---|---|
| Dept./Agency Affected: Department of Agriculture | Dept./Agency Head: Matthew LG Sablan, Acting Director |
| Department's General Fund (GF) appropriation(s) to date: | 3,424,312 |
| Department's Other Fund (Specify) appropriation(s) to date: | 90,131 |
| Total Department/Agency Appropriation(s) to date: | \$3,514,443 |

| 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 33-07) | \$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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Fund 1/ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

- 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? /X/ Yes / / No
If yes, will the program duplicate existing programs/agencies? / / N/A / / Yes /X/ 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: Raymond Rieta, BMA I Date: 9/2/15 Director: Jose S. Calvo, Director Date: **SEP 17 2015**

Footnotes:
1/ See attached comments.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 160-33 (COR)
(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 |
| GOF Cons. And Dev. Fund 1/ | <u>\$26,821</u> | <u>\$26,821</u> | <u>\$26,821</u> | <u>\$26,821</u> | <u>\$26,821</u> |
| Total | \$26,821 | \$26,821 | \$26,821 | \$26,821 | \$26,821 |

Comments:

1/ See attached comments.

COMMENTS TO BILL No. 160-33(COR)

AN ACT TO ADD A NEW ARTICLE 9 TO CHAPTER 63, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE GUAM OCEAN AND FISHERIES CONSERVATION ACT OF 2015; TO ADD A NEW SUBSECTION (d) TO § 30101 TO CHAPTER 30, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF MARINE CONSERVATION FEE, AND TO AMEND § 30107 OF CHAPTER 30, TITLE 11 GUAM CODE ANNOTATED, RELATIVE TO DEPOSIT OF FEES INTO THE GUAM OCEAN AND FISHERIES CONSERVATION AND DEVELOPMENT FUND.

The bill serves to perform three (3) functions. The first part of the bill which adds a new article 9 to Chapter 63, Title 5, Guam Code Annotated is to establish the *Guam Ocean and Fisheries Management Council* under the *Guam Ocean and Fisheries Conservation Act of 2015*. The Council's powers and duties shall include, but not limited to, coordinating and promoting activities in connection with the conservation and development of Guam's ocean, fisheries, and marine resources; developing, imposing, and issuing permit requirements for the general public; establishing a schedule of fees in connection therewith, relative to the conduct of commercial marine operations and the harvesting of fish and other marine life in the waters of Guam and overseeing the expenditure and management of funds in the Guam Ocean and Fisheries Conservation and Development Fund established. The fiscal impact of this portion of the bill involves the compensation for the seven (7) voting members of the Council to be appointed by the Governor, the fines imposed for civil violations of the permit and fee schedule not to exceed \$500 for each violation, and the establishment of the Guam Ocean and Fisheries (GOF) Conservation and Development Fund, which will include proceeds from fees collected pursuant to the permit and fee schedule established from article 9 and shall not be commingled with the General Fund. As per the bill, the voting members shall be compensated at \$50 per meeting, not to exceed \$100 per calendar month and shall meet regularly at least every other month, calculating to about \$2,100 per year. ($\$50 \times 7 \text{ members} \times 6 \text{ months} = \2100).

The second part of this bill is to add a new subsection (d) to § 30101 of Chapter 30, Title 11, GCA which involves the establishment of the Marine Conservation Fee which shall be levied, imposed and assessed at a fixed amount of two dollars (\$2.00) per occupancy per stay, and shall not be levied or imposed against transient occupants who are bona fide residents of Guam. The fiscal impact of this portion of the bill may be estimated on how often this fee is levied, imposed and assessed by using the total visitor arrivals in Fiscal Year 2014 (1,341,054) as obtained from the Guam Visitors Bureau. If this fee was to be levied on 1% of that total, it would have potentially generated as much as \$27,000 per year. ($1,341,054 \text{ visitors} \times 1\% = 13,410 * \$2.00 \text{ per occupancy per stay} = \$26,821$)

The third part of this bill is to deposit all proceeds collected from the Marine Conservation Fee into the GOF Conservation and Development Fund and to separate this fee from the Tourist Attraction Fund. As per the response from the Guam Department of Agriculture, the agency supports this bill in its form as it will "increase the capacity of the Law Enforcement section for conservation officers to ensure that the law is enforced with regards to marine activities." In its present form however, the potential fiscal impact of this bill cannot be completely determined as the required estimated fees pursuant to the permit and fee schedules are not readily available from the Department of Revenue & Taxation to provide a revenue estimate.