



COMMITTEE ON RULES

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

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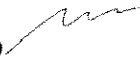
V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

September 30, 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. 180-33(COR)

FISCAL NOTE WAIVER:
Bill No. 179-33(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 SEP 30 PM 1:22

Bureau of Budget & Management Research
Fiscal Note of Bill No. 180-33 (COR)

AN ACT TO TITLE LOT 5138-2-R3 NEW-1-1, IPAO-TUMON, MUNICIPALITY OF DEDEDO IN THE NAME OF THE CHAMORRO LAND TRUST COMMISSION AND TO AUTHORIZE THE COMMERCIAL LEASING OF SAID LOT.

Department/Agency Appropriation Information

Dept./Agency Affected: Chamorro Land Trust Commission	Dept./Agency Head: Michael Borja, Director
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Specify) appropriation(s) to date: Chamorro Land Trust Operations Fund	1,006,799
Total Department/Agency Appropriation(s) to date:	\$1,006,799

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
(Specify Special Fund)	\$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? / / 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: / / Yes / X / No
/ X / Requested agency comments not received by due date / X / Other: Time Constraints

Analyst: Jason Baza Date: 9/23/15 Director: Jose S. Calvo Date: **SEP 30 2015**
 Jason Baza, BMA Jose S. Calvo, Director

Notes:
See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 180-33 (COR)

The intent of the proposed legislation is to issue the certificate of title for Lot No. 5138-2-R3 NEW-1-1, Ipao-Tumon, in the municipality of Dededo containing an area of 2,868± square meters to the Chamorro Land Trust Commission. The cited lot will be added to the Chamorro Land Trust Commission Land Inventory for the intended purpose of issuing a commercial lease for the property.

It should be noted that there is proposed legislation, specifically Bill No. 175-33 (COR), that addresses the rules and regulations for commercial leases. If Bill No. 175-33 (COR) is passed and becomes law, then the aforementioned property will be subject to the revenue generating provisions contained in the rules and regulations for commercial leases.

Revenue generating provisions from the proposed rules and regulations include imposing rent expenses for the commercial lease to be based upon the fair market value of the property as determined by the average of two appraisals pursuant to P.L. 31-44. A key provision in Bill 175-33 (COR) is that the rent expense shall be no less than nine percent (9%) of the original appraisal of fair market value and shall escalate at five year intervals based upon the established fair market value for the subject property. Another key provision is the CLTC's obligation to pay the Guam Economic Development Authority (GEDA) in an amount no more than 3% of the annual lease payments collected during the first year of the public-public partnership between the CLTC and GEDA. An increase to the CLTC land inventory will also increase the base value from which the 3% payment will be derived from. However, absent feedback from the CLTC, it is uncertain on if they are amenable to this percentage and/or the arrangement with GEDA.

Transferring the certificate of title for Lot No. 5138-2-R3 NEW-1-1, Ipao-Tumon, in the municipality of Dededo will increase the CLTC's land inventory designated for commercial leases. Although the transfer provides an additional revenue generating source, the Bureau cannot determine an estimated amount of revenues to be received due to not having access to information regarding the fair market value based on two appraisals for the subject property and the estimated gross annual income from the use of the property through a commercial lease.