



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

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

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

Vice-Speaker
Benjamin J.F. Cruz
Member

Legislative Secretary
Tina Rose Muna Barnes
Member

Senator
Dennis G. Rodriguez, Jr.
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
Nerissa Bretania Underwood
Member

V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

November 13, 2015

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. 192-33(LS)
- Bill No. 193-33(LS)
- Bill No. 194-33(LS)
- Bill No. 195-33(LS)
- Bill No. 196-33(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'åse'!

2015 NOV 13 1:45

Bureau of Budget & Management Research
Fiscal Note of Bill No. 193-33 (LS)

AN ACT TO AMEND PUBLIC LAW 22-18 TO TRANSFER THIRTY-FIVE (35) ACRES OF LOT 10122-R18, MUNICIPALITY OF DEDEDO RESERVED BY THE DEPARTMENT OF EDUCATION FOR THE AS-TUMBO MIDDLE SCHOOL TO THE CHAMORRO LAND TRUST COMMISSION FOR RESIDENTIAL AND AGRICULTURAL LEASING.

Department/Agency Appropriation Information	
Dept./Agency Affected: Chamorro Land Trust Commission	Dept./Agency Head: Michael J. B. 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	1,424,311
Total Department/Agency Appropriation(s) to date:	\$1,424,311

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2015 Unreserved Fund Balance		\$0	\$0
FY 2016 Adopted Revenues	\$0	\$0	\$0
FY 2016 Appro. (P.L. 33-66 thru _____)	\$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 2016 (if applicable)	FY 2017	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
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? /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: / / Yes /X/ No
 /X/ Requested agency comments not received by due date / / Other:

Analyst: <u>Jason Baza</u>	Date: <u>10/26/15</u>	Director: <u>Jose S. Carvo</u>	Date: <u>NOV 29 2015</u>
----------------------------	-----------------------	--------------------------------	--------------------------

Notes:
 See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 193-33 (LS)

The proposed legislation amends P.L. 22-18, which reserved several tracts of government properties for future intended uses. P.L. 22-18 initially reserved thirty-five (35) acres of Lot No. 10122-R18 to construct Astumbo Middle School, but the school was constructed on a different tract of property (Block 26-NEW-1, Tract 240). Because Lot No. 10122-R-18 is not being utilized for its intended purpose, the proposed legislation aims provide an alternative use of this lot by transferring it into the Chamorro Land Trust Commission's land inventory designated for residential and agricultural leasing.

Although the proposed legislation will transfer to and authorize the CLTC to utilize the 35 acres for residential/agricultural leases, it does not specifically state which type of lease will be utilized. §75107(a) of Chapter 75, Title 21 Guam Code Annotated delineates the minimum and maximum amount of acres authorized for different types of agriculture/residential leases (subsistence agricultural or aquaculture farming; commercial agricultural or aquaculture use; grazing use; and residential lots). Subsequently, because the proposed legislation doesn't specify which type of lease the property will be utilized as, the amount of leases that can be awarded on the property cannot be determined.

§75108(b) states that each lessee shall pay a rental of one dollar (\$1.00) per year for the term of ninety-nine (99) years. For example, if one commercial agricultural lease (maximum 20 acres per lessee) and one grazing lease (maximum 20 acres per lessee) is awarded on the subject property, anticipated revenue to be received by the end of the lease terms will amount to \$198. However, if one commercial agricultural lease and fifteen (15) residential leases (maximum once acre per lessee) are awarded, the anticipated revenue to be received by the end of the lease term will amount to \$1,584.

Subsequently, §75107(f) specifies that the lessee shall pay any taxes assessed upon the improvements made on the property during the duration of their lease period. Increased tax assessments are correlated with improved infrastructure on the property.

It should be noted that the proposed legislation does provide for revenue generating opportunities for the Government of Guam. However, due to not having sufficient information on the specific type of leases to be awarded on the subject property, the Bureau cannot determine the estimated revenues to be received.