



COMMITTEE ON RULES

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

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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'!

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Bureau of Budget & Management Research

Fiscal Note of Bill No. 195-33 (LS)

AN ACT TO AMEND PUBLIC LAW 22-18 TO TRANSFER LOT 3470, MUNICIPALITY OF CHALAN PAGO RESERVED FOR GUAM'S HEALTH CARE NEEDS TO THE CHAMORRO LAND TRUST COMMISSION FOR RESIDENTIAL AND/OR 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	<u>1,424,311</u>
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 Appra. (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> Jason Baza, BMA II	Date: <u>10/29/15</u>	Director: <u>Jose S. Calvo</u> Jose S. Calvo, Director	Date: <u>OCT 29 2015</u>
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Notes:
See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 195-33 (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 sixty (60) acres of Lot No. 3470 to construct and provide health care facilities. The proposed legislation stipulates that the health care agencies of the Government of Guam have declined the use of Lot 3470 due to unsuitable location, topography, infrastructure, and adequate access to the property. Because Lot No. 3470 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 60 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 forty (40) 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 \$4,059.

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.