



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. 196-33 (LS)

AN ACT TO TRANSFER FOUR HUNDRED (400) PLUS LOTS WHICH HAVE LAPSED INTO FORECLOSURE FROM ALL THE "LAND FOR THE LANDLESS" SUBDIVISIONS AND ALL OTHER SUCH SUBDIVISIONS TO THE CHAMORRO LAND TRUST COMMISSION'S AVAILABLE LANDS INVENTORY FOR CHAMORRO HOMELANDS.

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: Jason Baza Date: 10/26/15 Director: Jose S. Castro Date: OCT 29 2015
 Jason Baza, BMA II Jose S. Castro, Director

Notes:
 See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 196-33 (LS)

The proposed legislation intends to transfer all foreclosed properties (approx. 400 accounts) that were once part of the "Land for the Landless" Program to the Chamorro Land Trust Commission's (CLTC) land inventory designated for residential and agricultural leasing. The Land for the Landless program was initially enacted by P.L. 14-138, and subsequently reinforced by P.L. 21-60, to allow the sale of government property for the total cost of \$2,500 per lot. This program was later repealed and discontinued by P.L. 23-39, in which any government owned properties that were not sold to qualified buyers as of July 1, 1995 were to become designated as available land and assume the status of Chamorro Homelands pursuant to §75104 and §75105, Title 21 Guam Code Annotated.

§75108(b), Chapter 75, 21 GCA states that each lessee shall pay a rental of one dollar (\$1.00) a year for the term of ninety-nine (99) years. Assuming the total approximate amount of foreclosed accounts is turned over and utilized for agricultural/residential leases, the total anticipated revenue to be received at the end of the lease term will amount to \$39,600 (one dollar a year per each foreclosed account for 99 years).

Subsequently, §75107(f), Chapter 75, 21 GCA 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. However, the Bureau is not in receipt of the property size of any of the approximate 400 accounts as stipulated in the proposed legislation. Due to the lack of that information, the Bureau cannot project estimated revenues to be received through increased tax assessments.

In addition, the property size of each foreclosed account will determine the use of the property in regards to what kind of lease can be awarded. §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). The maximum amount of property eligible to be leased for agriculture leases is twenty (20) acres, whereas the maximum amount for residential leases is one (1) acre. If any of the foreclosed accounts has more than 20 acres, then more than one lease may be awarded on that property if divided appropriately.

The proposed legislation does provide for revenue generating opportunities for the Government of Guam. However, due to not having sufficient information regarding the size of the properties subject for agriculture/residential leases, the Bureau cannot determine an approximate amount of estimated revenues to be received.