



COMMITTEE ON RULES

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

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January 14, 2016

Memorandum

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

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

Subject: **Fiscal Note**

Hafa Adai!

Attached please find the fiscal note for the bill number listed below. Please note that the fiscal note and fiscal note waivers are issued on the bills as introduced.

FISCAL NOTES:

Bill No. 223-33(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'!

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 223-33(COR)**

AN ACT TO APPROPRIATE THE REVENUES FROM THE INVASIVE SPECIES FEES TO FUND THE OPERATIONS OF THE BIO SECURITY DIVISION OF THE DEPARTMENT OF AGRICULTURE.

Department/Agency Appropriation Information	
Dept./Agency Affected: Agriculture	Dept./Agency Head: Matthew L.G. Sablan, Director
Department's General Fund (GF) appropriation(s) to date:	3,391,601
Department's Other Fund (Specify) appropriation(s) to date: Guam Plant Inspection and Permit Fund (\$93,131), Tourist Attraction Fund (\$500,000)	593,131
Total Department/Agency Appropriation(s) to date:	\$3,984,732

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)	\$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
Invasive Species Inspection Fee	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

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|---|--------|---------|--------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | /X/ Yes | // No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ 1/ | // N/A | // Yes | /X/ No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | // N/A | // Yes | /X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | | // Yes | /X/ No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
// Requested agency comments not received by due date / / Other: | | /X/ Yes | // No |

Analyst: <u>Raymond Ricca, BMA I</u>	Date: <u>1/14/16</u>	Director: <u>Jose S. Calvo, Director</u>	Date: JAN 14 2016
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Footnotes:
1 / See attached comments.

Bureau of Budget & Management Research
Attachment to Fiscal Note No. 223-33 (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
Other Fund:	<u>\$90,427</u>	<u>\$90,427</u>	<u>\$90,427</u>	<u>\$90,427</u>	<u>\$90,427</u>
Total	\$90,427	\$90,427	\$90,427	\$90,427	\$90,427

Comments:

*Above projection based on preliminary information obtained from AS400. Yearly average determined from actual monthly deposits into revenue account as of 1/13/16. See additional comments attached.

COMMENTS TO BILL No. 223-33(COR)

The Bill proposes to appropriate FY2015 and FY2016 revenues from the Guam Invasive Species Inspection Fee to fund the operations of the Bio-Security Division of the Department of Agriculture. As per P.L. 31-43 which established both the Bio-Security Division as well as the Guam Invasive Species Inspection Fee, the preliminary budget for the first year of the Bio-Security Division was estimated at \$2.4 million. As per Title 8, Division 4, Chapter 14, § 14102 of the Guam Administrative Rules and Regulations, "the fee shall be assessed and collected on the net weight of imported freight computed on the basis of 75 cents for every one thousand pounds of freight brought into Guam, or part thereof." An Economic Impact Statement (EIS) submitted by the Department of Agriculture estimated that the fee would initially generate about \$2 million annually based on historical break/bulk and containerized cargo tons reported from fiscal year 2007 through 2010.

The fiscal impact of this legislation is whether the revenues generated from the inspection fee is sufficient to support operation costs of the Bio-Security Division. Based on reported revenues to the Invasive Species Inspection Fee Fund as of 1/13/2016, the Fund has generated a monthly average of \$7,536, calculating to about \$90,427 per year. It should be noted that this estimation is "preliminary" and according to the Department of Agriculture, there are at least 7 Steamship Agencies that are not current with payments into this fund.

Based on the foregoing, while it may be possible to employ a Program Coordinator IV per Sec. 3 of the Bill, the Department may have to forego plans for its new Bio-Security Division until such time that revenues from the Fund can sustain it.