



COMMITTEE ON RULES

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

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February 1, 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 is issued on the bill as introduced.

FISCAL NOTE:

Bill No. 227-33 (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'!

2016 FEB -1 PM 1:57

Bureau of Budget & Management Research
Fiscal Note of Bill No. 227-33 (COR)

AN ACT TO ADD A NEW §40145 TO CHAPTER 40 OF TITLE 5, GUAM CODE ANNOTATED; RELATIVE TO PLACING TRACT 3621 (FORMERLY BASIC LOT NO. 381-2, MUNICIPALITY OF INARAJAN), CURRENTLY LEASED FROM THE CHAMORRO LAND TRUST COMMISSION UNDER THE ADMINISTRATIVE JURISDICTION OF THE INARAJAN MAYOR'S OFFICE.

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 Operating 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> Jason Baza, BMA II	Date: <u>1/27/16</u>	Director: <u>[Signature]</u> Jose S. Calvo, Director	Date: <u>FEB 01 2016</u>
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Notes:
See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 227-33 (COR)

The proposed legislation intends to place Tract 3621 (formerly basic Lot No. 381-2) in the municipality of Inarajan under the administrative jurisdiction of the Inarajan Mayor's Office for the purpose of constructing a recreational sports facility. The subject property, currently part of the Chamorro Land Trust Commission's (CLTC) land inventory, was leased to the Inarajan Mayor's Office on March 30, 2000 in order to construct the sports facility.

Placing the subject property under the administrative jurisdiction of the Inarajan Mayor's Office will have several fiscal impacts involving multiple parties. By granting administrative jurisdiction of the subject property to the Inarajan Mayor's Office, the CLTC will not be able to collect lease payments resulting in a loss of revenue. However, by enabling the construction project to commence, revenues in the form of building permits for the sports facility can be anticipated to be received by the Department of Public Works (DPW). Subsequently, when the sports facility is operational, the Inarajan Mayor's Office can assess fees for use of the facility (i.e. basketball leagues, team practices, etc.).

Due to lack of sufficient information to regarding the current lease agreement of the subject property and the specifics on the design of the new sports facility, the Bureau is unable to determine an approximate dollar amount of potential revenues lost for the CLTC in lease payments and gained by the DPW through the issuance of building permits.

Lastly, it should be noted that the construction of the sports facility would increase the total aggregate assessed value of real property on Guam. Per the Certified 2013 Real Property Tax Assessment roll mandated by §24518, Chapter 24, Title 11 GCA, the total land and building aggregate assessed values are \$5.959 Billion and \$5.629 Billion, respectively. The combination of both the land and building assessed values creates the base for the Government of Guam's debt service ceiling, which is ten percent (10%) of the total assessed value. The construction of new facilities on the cited lot will increase the total building assessed value, thus increasing the base for the Government of Guam's debt service ceiling.