



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature
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Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

February 26, 2016

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Memorandum

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

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

Vice-Speaker
Benjamin J.F. Cruz
Member

From: **Senator Rory J. Respicio**
Chairperson of the Committee on Rules

Legislative Secretary
Tina Rose Muna Barnes
Member

Subject: **Fiscal Note**

Senator
Dennis G. Rodriguez, Jr.
Member

Hafa Adai!

Attached please find the fiscal note for the bill numbers listed below.
Please note that the fiscal note is issued on the bills as introduced.

Senator
Frank Blas Aguon, Jr.
Member

FISCAL NOTE:
Bill Nos. 254-33(LS) through 262-33(LS)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Senator
Michael F.Q. San Nicolas
Member

Senator
Nerissa Bretania Underwood
Member

Si Yu'os ma'åse'!

V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

2016 FEB 26 PM 4:57

Bureau of Budget & Management Research
Fiscal Note of Bill Nos. 254-33 (LS) thru 262-33 (LS)

AN ACT TO TRANSFER TRACT 3620, LOTS 9, 10, 11, 12, 13, 14, 15, 16, & 17, MUNICIPALITY OF INARAJAN, WITH AN AGGREGATE AREA OF 8,391.2± SQUARE METERS, FROM THE CHAMORRO LAND TRUST INVENTORY AND TO THE ADMINISTRATIVE JURISDICTION OF THE INARAJAN MAYOR'S OFFICE FOR THE CONSTRUCTION OF A MULTI-PURPOSE FACILITY FUNDED THROUGH FEDERAL SOURCES.

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	<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 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

Analyst: Jason Baza Date: 2/24/16 Director: Jose S. Calvo Date: **FEB 25 2016**
Jason Baza, BMA II Jose S. Calvo, Director

Notes:
See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 254-33 (LS) thru 262-33 (LS)

The proposed legislations intend to transfer nine lots of Tract 3620 (specifically Lot Nos. 9 thru 17) in the municipality of Inarajan with an aggregate area of 8,391.2± square meters from the Chamorro Land Trust Commission's (CLTC) land inventory to the administrative jurisdiction of the Inarajan Mayor's Office for the purpose of constructing a recreational sports facility. The subject property was leased to the Inarajan Mayor's Office on March 30, 2000 in order to construct the sports facility.

Transferring the subject property to the administrative jurisdiction of the Inarajan Mayor's Office will have several fiscal impacts involving multiple parties. By transferring 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 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.

In addition, 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.

It should be noted that the proposed legislations include reversionary clauses upon inaction. If the construction of the recreational sports facility is not completed two years after the passage and enactment of the proposed legislations, all the subject properties will revert back to the CLTC land inventory.