



COMMITTEE ON RULES

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

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March 23, 2016

Memorandum

To: Rennae Meno
Clerk of the Legislature

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

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. 275-33(COR)
- Bill No. 276-33(COR)
- Bill No. 277-33(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'!

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Bureau of Budget & Management Research
Fiscal Note of Bill Nos. 276-33 (COR)

AN ACT TO ADD A NEW §75125 TO TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO DESIGNATING A PORTION OF LOT 5133-1, TUMON, DEDEDO, GUAM AS A BIODIVERSITY CONSERVATION EASEMENT FOR THE PURPOSE OF PROVIDING AN AREA FOR THE PRESERVATION OF INDIGENOUS BIODIVERSITY.

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
Chamorro Land Trust Operations Fund	\$12,000	\$12,000	\$12,000	\$12,000	\$13,200	\$13,200
Total	\$12,000	\$12,000	\$12,000	\$12,000	\$13,200	\$13,200

- 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? / / Yes /X/ No
 If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / 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>	Date: <u>3/17/16</u>	Director: <u>Jose S. Calvo</u>	Date: <u>MAR 22 2016</u>
Jason Baza, BMA II		Jose S. Calvo, Director	

Notes:
 1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 276-33 (COR)

The proposed legislation intends to keep the Cushing Zoo operational for its continued conservation practices of endemic species of flora and fauna, education of the public on conservation efforts, and steadfast awareness and appreciation of flora and fauna. Cushing Zoo first became operational through the passage of P.L. 19-34, which authorized the Governor of Guam to execute a lease to James W. Cushing on a portion of Lot 5133-1, Tumon, Dededo, for use as a zoo, botanical garden, and marine exhibit under the conditions that Mr. Cushing pays One Thousand Dollars (\$1,000) a month for a twenty (20) year period.

Section 2 of the proposed legislation adds a new §75125 to Chapter 75, Title 21 Guam Code Annotated which designates the current site known as Cushing Zoo as a Biodiversity Conservation Easement. The new §75125 includes a provision to pay rent expenses to the Chamorro Land Trust Commission (CLTC) in the amount of \$1,000/month. Also included in the new §75125 is a clause to revisit the monthly rent payment amount every three years, in which any increases shall not be more than 10% of the current payment amount. Unlike P.L. 19-34, the new §75125 makes the agreement permanent instead of the former 20 year lease term.

In addition, the new §75125 outlines reversion clauses that would place the subject property back into the Chamorro Land Trust land inventory as a Biodiversity Conservation Easement. The clauses include Cushing Zoo terminating its business or ceasing to exist, rent payments not being made, conservation efforts not being fulfilled, and noncompliance with the United States Department of Agriculture and Environmental Laws.

Although minimal, there is potential for additional revenues to be received by the CLTC in the form of increased rental payments. This is due to the new §75125 authorizing the CLTC to increase the rent payment amount after every three years at no more than 10% of the original amount. If the proposed legislation becomes law in FY 2016, the yearly rent payment to be received by the CLTC increases to \$13.2 K in FY 2019, \$14.5 K in FY 2022, \$15.9 K in FY 2025, and can continue until any of the reversion clauses becomes applicable.