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

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

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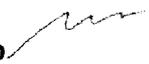
V. Anthony Ada
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Mary C. Torres
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June 24, 2016

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. 184-33(COR)
- Bill No. 323-33(COR)
- Bill No. 334-33(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 No. 334-33 (COR)**

AN ACT TO ADD A NEW § 7120.5 TO CHAPTER 7, OF TITLE 16, GUAM CODE ANNOTATED AND TO APPROPRIATE THE SUM OF THREE THOUSAND DOLLARS (\$3,000), RELATIVE TO SPECIAL RECOGNITION VETERANS LICENSE PLATES.

Department/Agency Appropriation Information

Dept./Agency Affected: Revenue and Taxation	Dept./Agency Head: John P. Camacho, Director
Department's General Fund (GF) appropriation(s) to date:	8,889,485
Department's Other Fund (Specify) appropriation(s) to date: Better Public Service Fund (\$2,206,210); Tax Collection Enhancement Fund (\$886,091)	3,092,301
Total Department/Agency Appropriation(s) to date:	\$11,981,786

Fund Source Information of Proposed Appropriation

	General Fund: 1/	(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 P.L. 33-150)	\$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	\$3,000	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$3,000	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes / X / No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? / / N/A / / Yes / X / No
If no, what is the additional amount required? \$ 3,493 / / N/A
- Does the Bill establish a new program/agency? / / Yes / X / 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: / X / Yes / / No
/ X / Requested agency comments not received by due date / / Other:

Analyst: Janessa R. Blas, BMA I Date: 6/22/16 Director: Jose S. Calvo, Director Date: 6-23-16

Footnotes: I/
See attached comments.

COMMENTS ON BILL NO. 334-33 (COR)

The proposed legislation intends to add a new § 7120.5 of Chapter 7, Title 16 of the Guam Code Annotated which will provide special license plates for veterans who are recipients of a military award of valor (Medal of Honor, Distinguished Service Cross, Silver Star, Navy Cross, or Bronze Star with "V" device) or a Purple Heart for veterans who reside on Guam. Section 2 of the Bill makes an advance appropriation of \$3,000 from the FY2017 General Fund to the Department of Revenue and Taxation (DRT).

If enacted, there are other potential costs imposed on DRT. First, the manufacturing company for Guam's license plates has provided a quote to DRT of \$250 per new license plate design. According to data provided by the Office of Veterans Affairs (OVA), there are approximately sixteen (16) new designs, which include the aforementioned medals of valor and the following branches of military service: Army, Marines, Navy, and Air force. It should be noted that the Guam National Guard is not indicated in the said data. Based on information provided by DRT, the proposed appropriation amount is insufficient by \$1,000 as the estimated cost for the templates totals \$4,000 ($\250×16 design templates = \$4,000).

Secondly, there is an added cost for the special license plates. Per DRT, \$12.24 is the rate for the current veteran design; the estimated cost for the proposed design is \$17.09, an increase of \$4.85. According to the data provided by OVA, there are 257 Guam recipients of the aforementioned awards. The proposed appropriation by Bill No. 334-33 does not provide for the additional costs of the specialized license plates, totaling \$2,492.90 for the existing recipients alone ($\$4.85 \times 257$ recipients $\times 2$ per recipient = \$2,492.90).

Altogether DRT may have to absorb \$3,492.90 in additional costs for the initial implementation of the proposed legislation, not to include any additional special license plates for new recipients. As such, these additional expenditures will hinder the department's ability to properly utilize their FY2017 budget as the appropriated amount in the subject bill does not cover the full obligation of its implementation.