



COMMITTEE ON RULES

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

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June 26, 2015

Memorandum

To: Rennae Meno
Clerk of the Legislature

From: Senator Thomas C. Ada 
Acting Chairperson of the Committee on Rules

Subject: Fiscal Notes and Fiscal Note Waivers

Hafa Adai!

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

FISCAL NOTES:

- Bill No. 84-33(COR)
- Bill No. 97-33(COR)
- Bill No. 113-33(COR)

FISCAL NOTE WAIVER:

- Bill No. 106-33(LS)

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

Si Yu'os ma'åse'!

2015 JUN 26 PM 3:25
FJMP

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 97-33 (COR)**

AN ACT TO AMEND §7117 OF 16GCA RELATIVE TO REQUIRING THE ISSUE OF SALVAGE TITLE CERTIFICATES OF OWNERSHIP FOR VEHICLES TRANSFERRED TO INSURANCE COMPANIES AS A RESULT OF PAYMENT OF CLAIMS FOR TOTAL LOSS.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: John P. Camacho
Department's General Fund (GF) appropriation(s) to date:	9,766,374
Department's Other Fund (Specify) appropriation(s) to date: Tax Collection Enhancement Fund (\$864,487) / Better Public Service Fund (\$1,829,515)	2,694,002
Total Department/Agency Appropriation(s) to date:	\$12,460,376

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2014 Unreserved Fund Balance		\$0	\$0
FY 2015 Adopted Revenues	\$0	\$0	\$0
FY 2015 Appro. (P.L. 32-181)	\$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 2015 (if applicable)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Better Public Service Fund	1/	\$0	\$0	\$0	\$0	\$0
Total	1/	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / x / Yes / / No
 If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? / x / Ref footnotes / / Yes / x / No
 If no, what is the additional amount required? / x / Ref footnotes
3. 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
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: / x / Yes / / No
 / x / Requested agency comments not received by due date / / Other:

Analyst: Michael M. Afanque Date: 6/28/15 Director: Jose S. Galva Date: **JUN 25 2015**
 Michael M. Afanque, B&M Analyst IV Jose S. Galva, Director

1/ Based on internet sources and data from the 2014 Guam Highway Safety Plan, a total of \$11,534 is projected annually with approximately 2% growth anticipated (Better Public Service Fund). Cost associated with revising the Title of Ownership to reflect "Salvage Title" as title transfers are made may be absorbed within DRT's budget. The Bureau notes the funding source for the Department of Revenue and Taxation to be revolving as revenues generated from the fees/fines will be deposited into the Better Public Service Fund and will be continually appropriated to the Motor Vehicle Division.

**Bureau of Budget & Management Research
Attachment to Fiscal Note No. 97-33 (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
Better Public Service Fund	\$11,534	\$11,764	\$12,000	\$12,240	\$12,484
Total	\$11,534	\$11,764	\$12,000	\$12,240	\$12,484

204 Total Traffic Fatalities in a 12-yr period [2009 - 2020 projected]

184 95% of fatalities within this 12-yr period result in the vehicle being deemed 'salvage'. Vehicles are still marketable for repair, replacement or refurbishment. Remaining 5% are considered total loss (unrepairable / unusable for parts)

20 10% of 'salvage' vehicles involve nondisclosure of insurance claim information to the Department of Revenue and Taxation (DRT)

\$10,208 \$500 fine per incident

17 An annual avg of 17 vehicles are expected to be deemed 'salvage'

\$51 \$3 fee for initial issuance of ownership title to the insurance company

51 Expected number of title transfers in a given year 1/

\$1,275 \$25 fee per 'salvage' title

\$11,534 Annual Revenue [2% growth expected annually - Better Public Service Fund - Projected]

Footnote:

1/ Annual avg number of vehicles deemed 'salvage' = 17 x 3 (title is assumed to be transferred at least three times throughout its lifetime)

Data (2009 - 2012): FY 2014 Guam Highway Safety Plan

Year	Population	Registered vehicles	Traffic fatalities	Percentage of registered vehicles to fatalities	Percentage of population to registered vehicles
2009	154,805	105,727	15	0.014%	88%
2010	159,358	108,218	16	0.015%	68%
2011	159,358	109,842	17	0.015%	69%
2012	159,941	111,091	16	0.014%	69%
			Averages	0.015%	69%

Note: 2013 - 2020 is projected data

2013	164,949	113,234	17	} 2% avg growth
2014	167,116	114,721	17	
2015	169,312	116,229	17	
2016	171,905	118,009	17	
2017	174,537	119,815	18	
2018	177,209	121,650	18	
2019	179,923	123,513	18	
2020	182,878	125,404	18	