

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

<b>BILL NO.</b>	<b>SPONSOR</b>	<b>TITLE</b>	<b>DATE INTRODUCED</b>	<b>DATE REFERRED</b>	<b>CMTE REFERRED</b>	<b>PUBLIC HEARING DATE</b>	<b>DATE COMMITTEE REPORT FILED</b>	<b>FISCAL NOTES</b>
<b>89-32 (COR)</b>	Michael F.Q. San Nicolas	AN ACT TO <i>ADD A NEW</i> ARTICLE 17 TO CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RESPONSIBLE RESERVE FUND.	04/12/13, 2:45pm	04/15/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Park, Recreation, Historic Preservation, and Land			<b>Fiscal Notes Requested 4/15/13</b>



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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MAJORITY LEADER

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Thomas C. Ada  
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Aline Yamashita  
Member

April 15, 2013

VIA FACSIMILE  
(671) 472-2825

**John A. Rios**  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

**RE: Request for Fiscal Note – Bill Nos. 88-32(COR), and 89-32(COR)**

*Håfa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bill. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bill.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

**Senator Rory J. Respicio**  
*Chairperson, Committee on Rules*

Attachments

Cc: Clerk of the Legislature

2013 APR 15 AM 11:24

Bill Nos.	Sponsor	Title
88-32 (COR)	M.F.Q. San Nicolas	AN ACT TO <i>AMEND</i> §§ 3207 AND 3309 AND TO <i>ADD A NEW</i> §§ 3207.1 AND 3207.2 OF CHAPTER 3 TITLE 11 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE REGULATION OF ALCOHOLIC BEVERAGE LICENSURE.
89-32 (COR)	M.F.Q. San Nicolas	AN ACT TO ADD A NEW ARTICLE 17 TO CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RESPONSIBLE RESERVE FUND.



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### MEMORANDUM

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

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From:** **Senator Rory J. Respicio**   
*Majority Leader & Rules Chair*

**Subject:** **Referral of Bill No. 89-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my re referral of Bill No. **89-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) Regular Session

Bill No. 89-32 (COR)

Introduced by:

Michael F.O. San Nicolas

2013 APR 12 PM 2:45

AN ACT TO ADD A NEW ARTICLE 17 TO CHAPTER  
22, TITLE 5, GUAM CODE ANNOTATED, RELATIVE  
TO THE RESPONSIBLE RESERVE FUND.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act *shall* be cited as the "Responsible  
3 Reserve Fund Act."

4 Section 2. Legislative Findings and Intent. *I Liheslaturan Guåhan*  
5 finds that the annual budgets of the government of Guam are based upon  
6 projected revenues.

7 *I Liheslaturan Guåhan* further finds that revenues from prior fiscal  
8 years' accounts receivable and interest and penalties from collections items  
9 of the Department of Revenue and Taxation are unallocated cash resources.

10 *I Liheslatura* further finds that these unallocated cash resources  
11 become discretionary spending resources that make up for budget  
12 shortfalls, subsidizing the practice of poor spending practices, poor  
13 collections, or both.

1           *I Liheslatura* finds that these unallocated cash resources must be spent  
2 prudently on non-recurring expense items and investments in capital  
3 improvement projects and durable goods with extended useful lives, to  
4 maximize the return on investment.

5           Therefore, it is the intent of *I Liheslaturan Guåhan* to set aside  
6 unpredictable sources of revenue, including prior fiscal years' accounts  
7 receivable and interest and penalties on collections items of the  
8 Department of Revenue and Taxation, by *adding* a *new* Article 17 to Chapter  
9 22, Title 5, Guam Code Annotated.

10           **Section 3. Responsible Reserve Fund.** A *new* Article 17 is hereby  
11 *added* to Chapter 22, Title 5, Guam Code Annotated, to read:

12   **"ARTICLE 17**

13   **RESPONSIBLE RESERVE FUND**

14  
15           § 221701. Creation.

16           § 221702. Separate Fund and Bank Account.

17           § 221703. Administration of the Responsible Reserve Fund.

18           § 221704. Expenditures from the Responsible Reserve Fund.

19           § 221705. Annual Audit.

20  
21           **§ 221701. Creation.**

22           There *is* hereby created, separate and apart from all other funds of the  
23 government of Guam, a fund known as the Responsible Reserve Fund.

1    **§ 221702. Separate Fund and Bank Account.**

2           The Responsible Reserve Fund *shall* not be commingled with the  
3    General Fund or any other funds of the government of Guam and *shall* be  
4    maintained in a separate bank account, administered by the Director of the  
5    Department of Administration in accordance with this Article.

6    **§ 221703. Administration of the Responsible Reserve Fund.**

7           Unless otherwise provided by law or prevented by contract, the  
8    following *shall* be deposited or transferred into the Responsible Reserve  
9    Fund:

10           (a) *all* collections by the Department of Revenue and Taxation of prior  
11    fiscal years' accounts receivable; and

12           (b) *all* interest and penalties from collections items of the Department  
13    of Revenue and Taxation.

14   **§ 21704. Expenditures from the Responsible Reserve Fund.**

15           (a) Expenditure from the Responsible Reserve Fund *may* be  
16    authorized by legislative appropriation *only* when an *equal or greater*  
17    amount of money *is* held in the Fund. Expenditures from the Responsible  
18    Reserve Fund *shall* be limited to payments toward:

19                   (1) court-ordered amounts owed by the government of Guam;

20                   (2) prior fiscal years' contractual obligations outstanding and  
21    payable;

22                   (3) prior fiscal years' accrued and unpaid wages due to  
23    government of Guam employees;

- 1 (4) prior fiscal years' merit pay bonuses accrued and unpaid;
- 2 (5) the procurement of medical supplies for the Guam
- 3 Memorial Hospital Authority;
- 4 (6) education expenses to comply with the Adequate Education
- 5 Act;
- 6 (7) capital improvement projects with an estimated useful life
- 7 of five (5) or more years, for agencies dealing with education, health,
- 8 public safety or services for individuals with disabilities;
- 9 (8) procurement of durable goods with an estimated useful life
- 10 of five (5) or more years, for agencies dealing with education, health,
- 11 public safety or services for individuals with disabilities; and/or
- 12 (9) advanced prepayment of existing debt obligations of the
- 13 government of Guam as defined by bond covenants, municipal lease
- 14 agreements, or financial institution loan provisions."

15 (b) The Responsible Reserve Fund *shall* not be subject to *I Maga'laha*

16 *Guåhan's* transfer authority or any other law allowing use or transfer of

17 special funds. Revenues to and expenditures from the Responsible Reserve

18 Fund are restricted to only those authorized by *I Liheslaturan Guåhan* in

19 subsequent Acts. *All* interest and investment earnings of the Responsible

20 Reserve Fund *shall* remain in the Fund until appropriated and expended

21 pursuant to subsection (b) of this Section.

22 **§ 221705. Annual Audit.**



1           The Office of Public Accountability *shall* perform an annual audit of  
2 the Responsible Reserve Fund and the compliance of the Director of the  
3 Department of Administration with the expenditure of such funds within  
4 the Responsible Reserve Fund in accordance with the administration and  
5 exclusive purposes of this Article. Said audit *shall* include, but is not  
6 limited to, the revenues to the Responsible Reserve Fund and the  
7 expenditures from the Responsible Reserve Fund. The OPA shall prepare  
8 and provide a written report of compliance no later than seventy-five (75)  
9 days after the end of the fiscal year to *I Måga'lahen Guåhan* and to the  
10 Speaker of *I Liheslaturan Guåhan*."