

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

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>245-32 (COR)</b>	Vicente (ben) C. Pangelinan	AN ACT TO AMEND SECTIONS 8144, 8145, AND 8149, ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO CUSTODIANS, INVESTMENT AGENTS, AND BANK DEPOSITS.	12/19/13 3:01 p.m.	12/20/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land	1/14/14 2:00 p.m.		<b>Fiscal Note Requested 12/24/13</b>



## COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
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Senator  
Michael F.Q. San Nicolas  
Member

Senator  
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Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

December 24, 2013

**VIA E-MAIL**

[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

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

**RE: Request for Fiscal Notes– Bill Nos. 241-32 (COR), 242-32(COR), 243-32 (COR), 244-32 (COR) and 245-32 (COR)**

*Hafa Adai* Mr. Rios:

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

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

Very Truly Yours,

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

Attachment (1)

Cc: Clerk of the Legislature

<b>Bill Nos.</b>	<b>Sponsor</b>	<b>Title</b>
<b>241-32 (COR)</b>	R.J. RESPICIO T.C. ADA T. R. MUÑA BARNES	AN ACT TO AMEND TITLE 3 GCA § 13106; TO ADD A NEW TITLE 3 GCA § 13107; TO RENUMBER THE EXISTING §§ 13107-13109; TO AMEND ITEM (b) OF TITLE 3 GCA § 6105; TO AMEND ITEMS (a) AND (b), AND TO DELETE ITEM (c) OF TITLE 5 GCA CHAPTER 40 § 40110; RELATIVE TO A VACANCY IN A MAYOR'S OR VICE MAYOR'S OFFICE, AND TO PROVIDE FOR A SPECIAL ELECTION TO FILL ANY VACANCY AMONG GUAM MAYORS OR VICE MAYORS, PROVIDED THAT SUCH VACANCY OR VACANCIES OCCUR 240 DAYS OR MORE BEFORE THE DATE OF THE NEXT GENERAL ELECTION FOR MAYORS AND VICE MAYORS.
<b>242-32 (COR)</b>	Brant T. McCreadie	AN ACT TO AMEND §28.65 OF CHAPTER 28, TITLE 9, GUAM CODE ANNOTATED, RELATIVE TO THE CRIME OF INDECENT EXPOSURE.
<b>243-32 (COR)</b>	Michael F.Q. San Nicolas	AN ACT TO IMPLEMENT THE LAW ENFORCEMENT PAY ADJUSTMENT FOR EMPLOYEES OF THE UNIFIED JUDICIARY OF GUAM, FUND CAPITAL IMPROVEMENTS TO THE MUNICIPAL MARKET OF MANGILAO AND TO CREATE THE RESPONSIBLE NON- PROFIT ENDOWMENT FUND, BY AMENDING §2 OF CHAPTER I AND ADDING §§ 13, 14 AND 15 TO CHAPTER XI, EACH OF PUBLIC LAW 32-68.
<b>244-32 (COR)</b>	FRANK B. AGUON, JR.	AN ACT AMENDING PUBLIC LAW 32-068 RELATIVE TO WITHHOLDING TAX REVENUE COLLECTIONS AND MAKING APPROPRIATIONS TO THE UNIFIED JUDICIARY FOR LAW ENFORCEMENT SALARY INCREASE IMPLEMENTATION.
<b>245-32 (COR)</b>	Vicente (ben) C. Pangelinan	AN ACT TO AMEND SECTIONS 8144, 8145, AND 8149, ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED RELATIVE TO CUSTODIANS, INVESTMENT AGENTS, AND BANK DEPOSITS.



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December 20, 2013

### MEMORANDUM

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

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

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

**Subject: Referral of Bill No. 245-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 245-32(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 GUAHAN**  
**2013 (FIRST) REGULAR SESSION**

Bill No. 245-32 (COR)

Introduced By: V.C. Pangelinan

2013 DEC 19 PM 3:01  
  


**AN ACT TO AMEND SECTIONS 8144, 8145, AND  
8149, ARTICLE 1, CHAPTER 8, TITLE 4 OF THE  
GUAM CODE ANNOTATED RELATIVE TO  
CUSTODIANS, INVESTMENT AGENTS, AND BANK  
DEPOSITS.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

1           **Section 1.** Legislative Findings and Intent. *I Liheslaturan Guahan* finds that  
2 Sections 8144, 8145, and 8149 of Article 1, Chapter 8, Title 4 of the Guam Code  
3 Annotated, were recently amended and passed into law in Public Law No. 32-086  
4 as part of a broader effort to improve the Government of Guam's ability to meet its  
5 obligations to fund the Government of Guam Retirement Fund Defined Benefit  
6 Plan.

7           *I Liheslaturan Guahan* finds that one of the purposes of the amendments in  
8 Public Law No. 32-086 was to remove certain statutory limitations that may result  
9 in unintended consequences adversely impacting the investment goals of the  
10 Government of Guam Retirement Fund.

11           *I Liheslaturan Guahan* finds that further amendments are needed to  
12 minimize unintended consequences, and therefore intends to amend Sections 8144,  
13 8145, and 8149 of Article 1, Chapter 8, Title 4 of the Guam Code Annotated to  
14 repeal certain requirements that will result in unintended consequences that are not  
15 in the best interest of the Government of Guam Retirement Fund.

1           **Section 2.** Section 8144, Article 1, Chapter 8, Title 4 of the Guam Code  
2 Annotated, amended by Public Law No. 32-086 is hereby further amended to read:

3           “§8144. Custodian. The Board *shall* engage one or more custodians to  
4 assume responsibility for the physical possession of fund assets or evidences of  
5 assets. The custodian shall submit such reports, accountings and other information  
6 in such form and at such times as requested by the Board. All costs incurred for  
7 custodial services *shall* be a direct charge to Investment Income. The custodian  
8 *shall* hold all assets for the account of the Government of Guam Retirement Fund  
9 and *shall* act *only* upon the instructions of the Board, its *ex-officio* director or a  
10 member, committee or agent so authorized by the Board. No custodian shall be  
11 engaged unless it:

12           (a) has been continuously engaged in rendering custody services for  
13 a period of ten (10) or more years; and

14           (b) is organized under the laws of the United States or a state or  
15 territory thereof; and

16           (c) has Tier 1 capital in excess of One Billion Dollars  
17 (\$1,000,000,000) ~~in any rolling 12-month period~~; and

18           (d) is a member of the Federal Reserve System whose deposits are  
19 insured by the Federal Deposit Insurance Corporation or any successor  
20 thereto; or

21           (e) notwithstanding any of the above, any locally chartered bank  
22 may be a custodian of the Retirement Fund.”

23           **Section 3.** Section 8145, Article 1, Chapter 8, Title 4 of the Guam Code  
24 Annotated, amended by Public Law No. 32-086 is hereby further amended to read:

25           “§ 8145. **Investment Agent.**

1 (a) In order to secure expert advice and counsel, the Board may  
2 engage an investment agent to serve as investment counsel which shall be  
3 either an investment counsel or a bank trust department as hereinafter  
4 qualified; and one or more Investment Agents to serve as investment  
5 manager(s) to manage asset classes identified by the Board upon the  
6 recommendation of investment counsel. All costs incurred in this connection  
7 shall be a direct charge to Investment Income.

8 (b) No person, firm or corporation shall be eligible for employment  
9 as investment counsel which acts as principal for its own account or as broker  
10 for a client other than the Fund in connection with the sale of any security to  
11 or the purchase of any security from the Fund.

12 (c) No investment agent shall be engaged *unless*:

13 (1) the principal business of the person, firm or corporation  
14 selected by the Board consists of rendering investment supervisory  
15 services, that is, the giving of continuous advice as to the investment of  
16 Funds on the basis of the individual needs of each client; and

17 (2) the principal ownership or control of such person, firm or  
18 corporation rests with individuals who are actively engaged in such  
19 business; and

20 (3) such person, firm or corporation and its predecessors have  
21 been continuously engaged in such business for a period of ten (10) or  
22 more years; and

23 (4) such person, firm or corporation is registered as an  
24 investment adviser under the laws of the United States of America as  
25 from time to time in effect; and ~~is in good standing with the Financial~~

1 ~~Industry Regulatory Authority (FINRA) and the Security and~~  
2 ~~Exchange Commission (SEC) on a continuous and ongoing basis; and~~

3 (5) the contract between the Board and the investment agent  
4 is of no specific duration and is voidable at any time by either party;  
5 and

6 (6) such person, firm or corporation certifies in writing, to the  
7 Board, that the assets under its direct investment supervision are in  
8 excess of One Billion Dollars (\$1,000,000,000) ~~in any rolling 12~~  
9 ~~month period.~~

10 (d) The Board shall not engage a bank trust department *unless* it:

11 (1) certifies in writing, to the Board, that the assets under its  
12 direct investment supervision are in excess of One Billion Dollars  
13 (\$1,000,000,000) ~~in any rolling 12 month period;~~ and

14 (2) has been, together with its predecessors, continuously  
15 engaged in supervising investments for a period of ten (10) or more  
16 years; and

17 (3) is organized under the laws of the United States or a state  
18 or territory thereof; and

19 (4) has Tier 1 capital in excess of One Billion Dollars  
20 (\$1,000,000,000) ~~in any rolling 12 month period;~~ and

21 (5) is a member of the Federal Reserve System whose  
22 deposits are insured by the Federal Deposit Insurance Corporation or  
23 any successor thereto.

24 (e) The Board or its designee under § 8143(a), shall establish and  
25 may from time to time change operating arrangements with the Investment



1 Agent in order to facilitate efficient management and timely investment  
2 action.

3 (f) *No investment shall be made unless in the opinion of the*  
4 *Investment Agent it is an appropriate investment for the Fund and is an*  
5 *authorized investment under §§ 8143 through § 8159, inclusive, or in the*  
6 *absence of such opinion, unless preceded by a resolution of the Board*  
7 *directing the investment.”*

8 **Section 4.** Section 8149, Article 1, Chapter 8, Title 4 of the Guam Code  
9 Annotated, amended by Public Law No. 32-086 is hereby further amended to read:

10 “§ 8149. Same: Bank Deposits; Other Cash Equivalents.

11 (a) Interest-bearing time deposits, demand deposits, and cash sweep  
12 deposit accounts in banks organized under the laws of the United States or  
13 any state or territory thereof, provided that said bank:

14 (1) has Tier 1 capital in excess of One Billion Dollars  
15 (\$1,000,000,000) ~~in any rolling 12-month period~~; and

16 (2) is a member of the Federal Reserve System; and

17 (3) together with any predecessors, have been conducting a  
18 banking business for a continuous period of ten (10) or more years; or

19 (4) any bank or savings and loan association chartered in  
20 Guam and a member of the Federal Deposit Insurance Corporation or  
21 the Federal Home Loan Bank System.

22 (b) Cash equivalents purchased in investment funds authorized  
23 under Section 8158 or in exchange-traded funds authorized under Section  
24 8158.1; in amounts and for durations approved by the Board in connection  
25 with the management of uninvested cash balances; such purchases *shall be*  
26 *excluded from limitations of § 8158(e) and § 8158.1(b).”*

1           **Section 5.** Effective Date. This Act shall become effective retroactively to  
2 the enactment date of Public Law No. 32-86, November 27, 2013.

3           **Section 6.** Severability. If any provision of this Act or its application to any  
4 person or circumstance is held invalid, the invalidity shall not affect any other  
5 provision or applications of this Act which can be given effect without the invalid  
6 provision or application, and to this end the provisions of the Act are severable.