



Office of the Governor of Guam

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2009 JAN 23 AM 9:38
Epm

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

14 JAN 2009

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guåhan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is **Bill No. 357(EC)**, "AN ACT TO *AMEND* §12015.5 (b) AND (e) OF CHAPTER 12, TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AMORTIZED SYSTEM DEVELOPMENT CHARGE (ASDC) FOR LOW AND MODERATE INCOME GUAM RESIDENTS WHO BUILD OR PURCHASE A HOME FOR THEIR PERSONAL RESIDENCE OR FOR THE RESIDENCE OF IMMEDIATE FAMILY MEMBERS, AND TO PROVIDE GUIDELINES FOR THE PUBLIC UTILITIES COMMISSION TO FOLLOW IN ADOPTING RULES FOR THE IMPLEMENTATION OF THE ASDC" which was signed into law on January 8, 2009 as **Public Law 29-133**.

Sinseru yan Magåhet,

FELIX P. CAMACHO
I Maga'låhen Guåhan
Governor of Guam

Attachment: copy of Bill

cc: The Honorable Tina Rose Muña Barnes,
Senator and Legislative Secretary

30-09-0059
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 1/14/09
Time 4:45
Received by [Signature]

0057

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 357 (EC)**, “AN ACT TO *AMEND* §12015.5 (b) AND (e) OF CHAPTER 12, TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AN AMORTIZED SYSTEM DEVELOPMENT CHARGE (ASDC) FOR LOW AND MODERATE INCOME GUAM RESIDENTS WHO BUILD OR PURCHASE A HOME FOR THEIR PERSONAL RESIDENCE OR FOR THE RESIDENCE OF IMMEDIATE FAMILY MEMBERS, AND TO PROVIDE GUIDELINES FOR THE PUBLIC UTILITIES COMMISSION TO FOLLOW IN ADOPTING RULES FOR THE IMPLEMENTATION OF THE ASDC,” was on the 23rd day of December, 2008, duly and regularly passed.



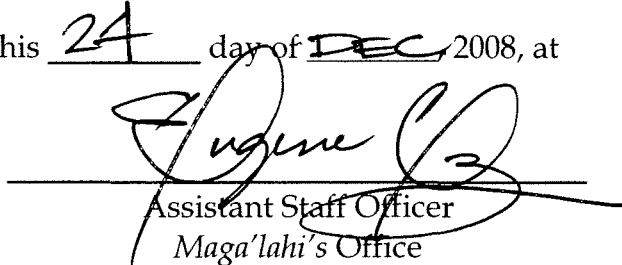
Judith T. Won Pat, Ed. D.
Speaker

Attested:




Tina Rose Muña Barnes
Senator and Secretary of the Legislature

This Act was received by *I Maga'lahaen Guåhan* this 24 day of DEC, 2008, at 4:40 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:



FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 8 JANUARY 2009

Public Law No. 29-133

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 357 (EC)

As amended by the Author
and further amended on the floor.

Introduced by:

Judith P. Guthertz, DPA

R. J. Respicio

B. J.F. Cruz

Tina Rose Muña Barnes

Frank F. Blas, Jr.

Edward J.B. Calvo

B. J.F. Cruz

James V. Espaldon

Mark Forbes

Frank T. Ishizaki

J. A. Lujan

A. B. Palacios, Sr.

v. c. pangelinan

Dr. David L.G. Shimizu

Ray Tenorio

Judith T. Won Pat, Ed.D.

AN ACT TO *AMEND* §12015.5 (b) AND (e) OF CHAPTER 12, TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROVIDING AN AMORTIZED SYSTEM DEVELOPMENT CHARGE (ASDC) FOR LOW AND MODERATE INCOME GUAM RESIDENTS WHO BUILD OR PURCHASE A HOME FOR THEIR PERSONAL RESIDENCE OR FOR THE RESIDENCE OF IMMEDIATE FAMILY MEMBERS, AND TO PROVIDE GUIDELINES FOR THE PUBLIC UTILITIES COMMISSION TO FOLLOW IN ADOPTING RULES FOR THE IMPLEMENTATION OF THE ASDC.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds

3 that Guam continues to face many economic challenges, and that among them is the

1 increasing difficulty young families have in buying a home. The mortgage
2 “meltdown” in the fifty (50) states and the rapidly escalating cost of living around the
3 world has pushed many families out of contention for home loans. A system
4 development charge imposed by the Guam Waterworks Authority for water and
5 wastewater hookups on new home construction threatens to make the desire of home
6 ownership an impossible dream for many low and moderate income families.

7 *I Liheslatura*, therefore, intends that in order to promote and facilitate home
8 ownership in Guam, any resident who desires to construct or purchase a home
9 intended as their personal residence and/or that of immediate family members, and
10 who meets the criteria of “low or moderate income” as defined by the Guam Housing
11 Corporation as a family whose income does not exceed one hundred twenty percent
12 (120%) of the median income for Guam, should be assessed an initial system
13 development charge equal to an amount no greater than 1% (one percent) of the
14 financed amount of the residence being constructed. The remainder of the system
15 development charge would then be amortized over a fifteen (15)-year period.

16 **Section 2.** §12015.5 (b) of Title 12 of the Guam Code Annotated, is *amended*
17 to read:

18 “(b) Pursuant to its authority, the Commission *shall* immediately begin
19 proceedings to promptly establish and approve the water and sewer system
20 development charge schedule for GWA. The Commission has the authority to
21 adopt and approve a charge schedule for GWA which complies with Subsection
22 (a) of this Section, including, a schedule which *shall* be known as the
23 Amortized System Development Charge (ASDC) for low *or* moderate income
24 residents who are constructing or purchasing a single family dwelling intended
25 for their personal residence and/or for immediate family members and who
26 meet the criteria for low or moderate income as defined by the Guam Housing

1 Corporation. Such charge *shall* be assessed at an initial amount of One
2 Thousand Dollars (\$1,000.00) and the remainder of the charge *shall* be
3 amortized over a period *not to exceed* fifteen (15) years, in which the charge
4 plus interest is added to the monthly GWA billing for the dwelling at a rate in
5 which the total annually assessed charge *shall not exceed* the initial charge, and
6 provided, that nothing herein shall limit the Commission's authority and
7 jurisdiction to establish and approve General Lifeline Rates for GWA which
8 may apply to the water and sewer development charge schedule. The charge
9 schedule *shall* be applied to users and developers by GWA upon its adoption
10 and approval by the Commission, and *no* charges *shall* be assessed prior to
11 adoption and approval by the Commission.

12 (1) ASDC Applicability. The ASDC *shall not* apply to any
13 commercial development involving the construction of multiple
14 residential units.

15 (2) ASDC Not Transferable. Should a home owner paying an
16 ASDC decide to sell or transfer the property, on which the ASDC
17 applies, to a person who is *not* an immediate family member or who
18 qualifies for the ASDC under this Chapter, then full payment of any
19 balances owed for the ASDC *shall* be paid in full *prior* to registration of
20 the sale and transfer of the property at the Department of Land
21 Management and *prior* to the transfer of the original owner's
22 water/wastewater account to the new owner and/or occupant of the
23 residence."

24 **Section 5.** §12015.5 (e) of Chapter 12, Title 12 of the Guam Code Annotated,
25 is *amended* to read:

1 “(e) Fees due under the water and sewer development charge schedule
2 adopted by the Commission *shall* be paid to GWA prior to the issuance of a
3 building construction permit. Subsequent to the adoption and approval of the
4 charge schedule by the Commission, *no* building construction permit shall be
5 issued without a certificate issued by GWA that all fees due under the charge
6 schedule have been paid, *except* that the Commission *shall* develop and adopt a
7 schedule for GWA customers qualified for the ASDC that *shall* allow for the
8 building construction permit to be issued subsequent to payment of the initial
9 charge.”