



Office of the Governor of Guam

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Felix P. Camacho  
Governor

Michael W. Cruz, M.D.  
Lieutenant Governor

DEC 14 2010

2010 DEC 17 PM 4:04

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 Substitute Bill No. 479-30 (COR): "AN ACT TO AMEND SUBSECTION (s) OF §80189, CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS" which was signed into law on December 9, 2010 as **Public Law 30-200**.

Sinseru yan Magåhet,

**FELIX P. CAMACHO**  
I Maga'låhen Guahan  
Governor of Guahan

Attachment: copy of Bill

I MINA'TRENTA NA LIHESLATURAN GUÅHAN  
2010 (SECOND) Regular Session

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

This is to certify that Substitute Bill No. 479-30 (COR), "AN ACT TO AMEND SUBSECTION (s) OF §80109, CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS", was on the 30<sup>th</sup> day of November 2010, duly and regularly passed.



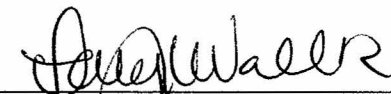
Judith T. Won Pat, Ed. D.  
Speaker

Attested:


  
Tina Rose Muña Barnes  
Legislative Secretary

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This Act was received by *I Maga'lahaen Guåhan* this 1<sup>st</sup> day of DEC, 2010, at 1100 o'clock A.M.

  
Assistant Staff Officer  
*Maga'lahaen's Office*

APPROVED:

  
FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date:

9 DEC. 2010

Public Law No. P.L. 30-200

*I MINA'TRENTA NA LIHESLATURAN GUÅHAN*  
**2010 (SECOND) Regular Session**

**Bill No. 479-30 (COR)**

As substituted by Committee on Economic Development,  
Health & Human Services and Judiciary, and amended  
on the Floor.

Introduced by:

F. B. Aguon, Jr.  
v. c. pangelinan  
F. F. Blas, Jr.  
Judith T. Guthertz, DPA  
T. R. Muña Barnes  
T. C. Ada  
V. Anthony Ada  
E. J.B. Calvo  
B. J.F. Cruz  
J. V. Espaldon  
Adolpho B. Palacios, Sr.  
R. J. Respicio  
Telo Taitague  
Ray Tenorio  
Judith T. Won Pat, Ed.D.

**AN ACT TO *AMEND* SUBSECTION (s) OF §80109,  
CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE  
ANNOTATED, RELATIVE TO EXPANDING THE  
BORROWING ABILITY OF THE GUAM MEMORIAL  
HOSPITAL AUTHORITY BY INCLUDING THE  
AUTHORIZATION TO ALSO ENTER INTO  
REVOLVING LOAN FUNDS, AND DIRECT LOANS.**

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

2        **Section 1. Legislative Findings.** *I Liheslaturan Guåhan* finds that the  
3 authorization for the Guam Memorial Hospital Authority (GMHA) to only enter

1 into a line of credit, as provided pursuant to Subsection (s) of §80109, Chapter 80,  
2 Division 4, Title 10, Guam Code Annotated, is *too* restrictive. And, so as to  
3 further broaden the scope of borrowing options available, *I Liheslaturan Guåhan*  
4 finds it appropriate to additionally authorize GMHA the borrowing alternatives of  
5 entering into the establishment of a revolving loan fund, and/or a direct loan.

6 Further, *I Liheslaturan Guåhan* finds it appropriate to provide for a waiver  
7 wherein the government of Guam waives immunity from any suit or action in  
8 contract upon the loan and guaranty. This provision is necessary to encourage the  
9 participation of lending institutions by ensuring they can pursue the recovery of  
10 funds loaned.

11 **Section 2.** Subsection (s) of §80109, Chapter 80, Division 4, Title 10,  
12 Guam Code Annotated, is hereby *amended* to read:

13 “(s) Arrange a line of credit, a revolving loan fund, and/or a direct  
14 loan, the total cumulative amount *not to exceed* Twenty-five Million Dollars  
15 (\$25,000,000), with banks or other lending institutions licensed to do  
16 business on Guam. All terms of the line of credit, a revolving loan fund,  
17 and/or a direct loan agreement *shall* be negotiated by the Authority and *I*  
18 *Maga’lahen Guåhan* [Governor] in the best interests of the people of Guam.  
19 The terms of the line of credit, a revolving loan fund, and/or a direct loan  
20 *shall* include the following:

21 (1) the line of credit, a revolving loan fund, and/or a direct  
22 loan *shall* be used by the Authority when a cash shortage threatens the  
23 operation of the Hospital, and provided that the loan *shall not* be used  
24 for the hiring of non-health care professionals *not* involved with  
25 providing direct patient care or patient care support;

26 (2) *no* charge *shall* be levied by a lender for making the loan;

1           (3) the interest rate *shall* be subjected to negotiation between  
2 the Authority or designee as authorized by the Board of Trustees, *I*  
3 *Maga'lahaen Guåhan* and the lender; such interest rate *shall* be  
4 computed on a monthly average and based on the actual amount  
5 extended to the Authority; and

6           (4) interest earned by the lender *shall* be exempt from  
7 taxation by the government of Guam.

8           (5) *I Maga'lahaen Guåhan* is authorized to pledge funds  
9 which Guam *shall* receive from the State Attorneys General Tobacco  
10 Litigation, as provided by Public Law 24-174, or the General Fund, or  
11 both funds in any combination, as a security for repayment of the  
12 loan, in addition to any revenues which may be pledged by the  
13 Authority. *I Maga'lahaen Guåhan* and the Authority are hereby  
14 authorized to execute the loan agreement, a revolving loan fund,  
15 and/or a direct loan agreement and other necessary documentation.

16           (6) The line of credit authorized in this Act *shall not* be used  
17 in the calculation for rate relief in any rate methodology for any rate  
18 case before the Public Utilities Commission.

19           (7) The primary source of repayment for the line of credit,  
20 revolving loan fund, and/or a direct loan *shall* be as authorized in  
21 Public Law 30-196, Chapter III, Part I, Section 6(b) (the FY 2011  
22 Budget Act). *If* required, the Authority may pledge, in addition, *only*  
23 its revenues as a security for repayment as determined by the  
24 negotiated agreement.

25           (8) Any money borrowed *shall* be repaid in accordance with  
26 the terms established in the negotiated agreement, but *not to exceed* an  
27 amortization period of *more than* twenty-five (25) years. In *no* case

1           *shall* any amount borrowed be refinanced permitting repayment *more*  
2           *than* twenty-five (25) years after the loan is made.

3           (9) Notwithstanding the provisions of Chapter 6 of Title 5 of  
4           the Guam Code Annotated, the government of Guam hereby waives  
5           immunity from any suit or action in contract upon the loan and  
6           guaranty but *does not* waive sovereign immunity as to the personal  
7           liability of elected or appointed officials and employees of the  
8           government Guam.”

9           **Section 3. Severability.** *If* any provision of this Act or the application  
10          thereof to any person or circumstances is held invalid, such invalidity *shall not*  
11          affect any other provision or application of this Act which can be given effect  
12          without the invalid provision or application, and to this end the provisions of this  
13          Act are severable.

14          **Section 4. Effective Date.** This Act *shall* become effective upon  
15          enactment.