



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

MAY 12 2014

Honorable Judith T. Won Pat, Ed.D
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-14-1630
Judith T. Won Pat, Ed.D
Date: 5.12.14
Time: 3:52 PM
Received by: [Signature]

RE: Bill No. 244-32 (COR)

Dear Madame Speaker:

Transmitted herewith is Bill No. 244-32 (COR), "AN ACT TO AMEND PUBLIC LAW 32-068, RELATIVE TO WITHHOLDING TAX REVENUE COLLECTIONS AND MAKING APPROPRIATIONS TO THE UNIFIED JUDICIARY FOR LAW ENFORCEMENT SALARY INCREASE IMPLEMENTATION" which lapsed into law on April 29, 2014, without the signature of *I Maga'låhen Guåhan* as **Public Law 32-147**.

Senseramente,


EDDIE BAZA CALVO

1630

2014 MAY 12 PM 4:01
[Signature]

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

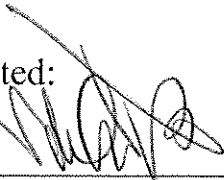
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 244-32 (COR), "AN ACT TO AMEND PUBLIC LAW 32-068, RELATIVE TO WITHHOLDING TAX REVENUE COLLECTIONS AND MAKING APPROPRIATIONS TO THE UNIFIED JUDICIARY FOR LAW ENFORCEMENT SALARY INCREASE IMPLEMENTATION," was on the 15th day of April, 2014, duly and regularly passed.



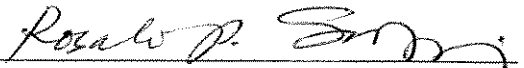
Judith T. Won Pat, Ed.D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 16 day of April,
2014, at 1:10 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: APR 29 2014

Public Law No. 32-147

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

Bill No. 244-32 (COR)

As amended by the Author on the Floor.

Introduced by:

FRANK B. AGUON, JR.
Michael F. Q. San Nicolas
R. J. Respicio
T. C. Ada
V. Anthony Ada
B. J.F. Cruz
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreddie
Tommy Morrison
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
Dennis G. Rodriguez, Jr.
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

**AN ACT TO *AMEND* PUBLIC LAW 32-068, RELATIVE
TO WITHHOLDING TAX REVENUE COLLECTIONS
AND MAKING APPROPRIATIONS TO THE UNIFIED
JUDICIARY FOR LAW ENFORCEMENT SALARY
INCREASE IMPLEMENTATION.**

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

2 **Section 1. Legislative Findings and Intent.** Public Law 29-105 required
3 the government of Guam to implement four ten percent (10%) salary increases
4 effective October 1, 2008, and each October 1 thereafter, until Fiscal Year 2012 for
5 all law enforcement personnel, inclusive of the Unified Judiciary of Guam, the
6 Guam Police Department, the Department of Corrections, the Customs and

1 Quarantine Agency, the Jose D. Leon Guerrero Commercial Port, the A.B. Won
2 Pat International Airport, the Department of Parks and Recreation, the Department
3 of Agriculture, the Attorney General's Office, the Department of Revenue and
4 Taxation, and the Department of Youth Affairs.

5 *I Liheslatura* finds that Public Law 29-105 was passed unanimously by the
6 members of *I Mina'Bente Nuebi Na Liheslaturan Guåhan* and signed into law by *I*
7 *Segundu Na Maga'lahren Guåhan* on August 14, 2008. *I Liheslatura* further finds
8 that for the last three years, law enforcement salaries have been frozen after the
9 implementation of the second ten percent (10%) increment, resulting in accrued
10 payroll obligations owed by the government of Guam to its employees.

11 *I Maga'lahren Guåhan* has recently identified funds and ordered the final two
12 ten percent (10%) increments be implemented during the first pay period in
13 December 2013. In addition, *I Maga'lahren Guahan* identified funds to pay Ten
14 Million Dollars (\$10,000,000) toward the accrued payroll liability owed to law
15 enforcement officers for Fiscal Years 2011 through 2014.

16 *I Liheslatura* further finds that funds identified by *I Maga'lahren Guåhan* are
17 only for increasing wages and paying prior obligations owed to law enforcement
18 personnel at the Guam Police Department, the Department of Corrections, the
19 Customs and Quarantine Agency, the Department of Parks and Recreation, the
20 Department of Agriculture, the Attorney General's Office, the Department of
21 Revenue and Taxation, and the Department of Youth Affairs. Funding to increase
22 the salaries for Unified Judiciary law enforcement personnel was *not* identified by
23 *I Maga'lahren Guåhan*, leaving the Marshal and Probation officers frozen at the
24 second ten percent (10%) increment, or at a salary level twenty percent (20%)
25 below their law enforcement colleagues in other branches and agencies of the
26 government.

1 On November 27, 2013, the Unified Judiciary fulfilled part of its obligation
2 created by Public Law 29-105 to law enforcement personnel by making a
3 retroactive payment for Fiscal Years 2009 through 2012. This retroactive payment
4 was made possible from the austerity measures put into place to reduce court
5 expenses, the collection of past due appropriations, and management tools
6 provided by *I Liheslatura* included in the FY 2013 and FY 2014 Budget Acts.

7 *I Liheslatura* further finds that the unbudgeted retroactive payment of
8 accrued payroll liabilities to law enforcement personnel by the Unified Judiciary
9 and the Executive Branch has created a windfall of new withholding taxes in FY
10 2014 or collections in excess of estimates. The Unified Judiciary remitted
11 approximately Three Hundred Forty Thousand Dollars (\$340,000) in withholding
12 taxes to the Treasurer of Guam for its retroactive payments, and the Executive
13 Branch is estimated to remit more than One Million Nine Hundred Thousand
14 Dollars (\$1,900,000) in withholding taxes from its retroactive payments.

15 *I Liheslatura* further finds that increasing the salary of law enforcement
16 personnel by twenty percent (20%) for twenty (20) pay periods in Fiscal Year 2014
17 will cause collections of withholding taxes to exceed estimates by an additional
18 One Million Seven Hundred Thousand Dollars (\$1,700,000), inclusive of Two
19 Hundred Twenty Five Thousand Dollars (\$225,000) for Unified Judiciary
20 personnel should the final two ten percent (10%) increments be implemented.

21 The total estimated windfall of withholding taxes for retroactive and
22 prospective law enforcement salary adjustments is Three Million Nine Hundred
23 Forty Thousand Dollars (\$3,940,000). It is, therefore, the intent of *I Liheslaturan*
24 *Guåhan* that One Million Two Hundred Thousand Dollars (\$1,200,000) of the
25 estimated windfall of withholding taxes be placed in the Provision for Income Tax
26 Refunds. The remaining Two Million Seven Hundred Forty Thousand Dollars
27 (\$2,740,000) *shall* be used for FY 2014 salary increases for Marshal and Probation

1 Officers at the Unified Judiciary to ensure fair and equitable treatment of all
2 branches of government and its employees; and for other purposes, as set forth by *I*
3 *Liheslaturan Guåhan* in subsequent legislation.

4 **Section 2.** Section 2 of Chapter I of Public Law 32-068 is hereby *amended*
5 to read:

6 **“Section 2. Estimated Revenues for Fiscal Year 2014.** *I*
7 *Liheslaturan Guåhan* adopts the following revenue estimates for Fiscal Year
8 2014 as the basis for the appropriations contained in this Act.

9 **I. GENERAL FUND REVENUES AMOUNT**

10	TOTAL GENERAL FUND REVENUE	(\$726,811,989)
11	PROVISION FOR TAX REFUND PAYMENTS	(\$121,200,000)
12	TOTAL GENERAL FUND REVENUE AVAILABLE	
13	FOR OPERATIONS	\$605,611,989

14 **A. TAXES**

15	Income Tax Corporate	\$104,887,419
16	Individual	\$84,982,063
17	Withholding Taxes, Interest and Penalties	
18		\$226,195,762
19	Provision for Tax Refund Payments(\$121,200,000)	
20	TOTAL INCOME TAXES	\$294,865,244
21	Business Privilege Tax	\$232,826,385
22	Business Privilege Tax (GMHA	
23	Pharmaceuticals Fund)	(\$9,313,055)
24	Other Taxes	\$2,632,132
25	TOTAL TAXES	\$518,270,706

26 **B. FEDERAL SOURCES**

27 Federal Income Tax Collection - Section 30 Funds

1		\$65,287,000
2	Overpayment reconciliation of Section 30 (3 of 5)	
3		(\$2,000,000)
4	Immigration and Passport Fees	\$1,849,872
5	TOTAL FEDERAL SOURCES	\$65,136,872
6	C. USE OF MONEY AND PROPERTY	\$1,627,655
7	D. LICENSES, FEES, AND PERMITS	
8	Licenses, Fees, and Permits	\$4,711,185
9	Licenses, Fees, and Permits (Better Public	
10	Service Fund)	
11		(\$471,119)
12	TOTAL LICENSES, FEES, AND PERMITS	\$4,240,066
13	E. DEPARTMENT CHARGES	\$1,812,516
14	TOTAL GENERAL FUND REVENUE	
15	AVAILABLE FOR APPROPRIATION	\$593,827,815
16	IV. REVENUE AVAILABLE FOR OPERATIONS SUMMARY:	
17	TOTAL GENERAL FUND REVENUE	\$715,027,815
18	PROVISION FOR TAX REFUNDS	(\$121,200,000)
19	TOTAL GENERAL FUND REVENUE	
20	AVAILABLE FOR APPROPRIATION	\$593,827,815
21	TOTAL SPECIAL FUND REVENUE	\$168,994,981
22	TOTAL FEDERAL MATCHING GRANTS-IN-AID	
23	REVENUES	\$44,621,024
24	GRAND TOTAL	\$807,328,820"

25 **Section 3.** Section 3 of Chapter I of Public Law 32-068 is hereby *amended*
26 to read:

1 **“Section 3. Authorization to Pay and Prioritize the Payment of**
2 **Tax Refunds.**

3 *I Maga’låhen Guåhan shall* prioritize tax refunds for Tax Year 2013
4 and prior years A-Status Returns *no less than* One Hundred Twenty One
5 Million Two Hundred Thousand Dollars (\$121,200,000).”

6 **Section 4. Appropriation to the Unified Judiciary.** The sum of Nine
7 Hundred Forty-Four Thousand One-Hundred Forty-Seven Dollars (\$944,147) is
8 appropriated from the General Fund to the Unified Judiciary for salary increases
9 for Marshal and Probation Officers for the purposes of fully implementing the
10 raises mandated in Public Law 29-105.

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