



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam.

OCT 16 2014

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

32-14- 2152
Office of the Speaker
Judith T. Won Pat, Ed.D

2014 OCT 17 PM 4:55
JANU

Date: 10-17-14
Time: 4:21pm
Received By: [Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No. 393-32 (COR) "AN ACT TO ADD A NEW § 80109 (v) TO CHAPTER 80 OF DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING *I MAGA'LAHEN GUÅHAN* TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVERY WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT)," which I signed into law on October 13, 2014 as Public Law 32-204.

Senseramente,

EDDIE BAZA CALVO

2152

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

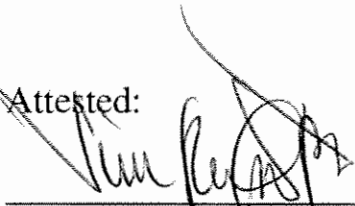
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 393-32 (COR)**, "AN ACT TO ADD A NEW § 80109 (v) TO CHAPTER 80 OF DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING *I MAGA'LAHEN GUÅHAN* TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVERY WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT)," was on the 3rd day of October, 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 6 day of Oct,
2014, at 6:32 o'clock P.M.


Assistant Staff Officer
Maga'lahaen's Office

APPROVED:


EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: OCT 13 2014

Public Law No. 32-204

I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN
2014 (SECOND) Regular Session

Bill No. 393-32 (COR)

As amended on the Floor.

Introduced by:

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

AN ACT TO ADD A NEW § 80109 (v) TO CHAPTER 80 OF DIVISION 4 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING *I MAGA'LAHEN GUÁHAN* TO ENTER INTO A LINE OF CREDIT, A DIRECT LOAN, OR ALTERNATIVE FINANCING FOR THE RENOVATION OF THE GUAM MEMORIAL HOSPITAL LABOR AND DELIVERY WARD (GMHA MATERNAL AND CHILD HEALTHCARE (MCH) RENOVATION PROJECT).

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

2 **Section 1.** A new § 80109 (v) is hereby *added* to Chapter 80, Division 4 of

3 Title 10, Guam Code Annotated, to read:

1 “(v) Notwithstanding Subsection (s) of this Section, to arrange a line
2 of credit, a revolving loan fund, and/or a direct loan, the total cumulative
3 amount *not to exceed* Seven Million Dollars (\$7,000,000) with banks or
4 other lending institutions licensed to do business on Guam. All terms of the
5 line of credit, a revolving loan fund, and/or a direct loan agreement *shall* be
6 negotiated by the Guam Economic Development Authority and *I*
7 *Maga’lahen Guåhan* (the Governor) in the best interests of the people of
8 Guam. The terms of the line of credit, a revolving loan fund, and/or a direct
9 loan *shall* include the following:

10 (1) the line of credit, a revolving loan fund, and/or a direct
11 loan *shall* be used by the Authority for the renovation of the Guam
12 Memorial Hospital Labor and Delivery Ward (GMHA Maternal and
13 Child Healthcare (MCH) Renovation Project);

14 (A) such line of credit *shall not* be authorized, nor shall
15 any borrowing be initiated that incurs interest expenses until the
16 architectural and engineering specifications are completed and
17 approved by the Board of Trustees of the Guam Memorial
18 Hospital Authority (GMHA), and the Request for Proposal or
19 Invitation for Bid to commence renovation is pending funding;

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

21 (3) the interest rate *shall* be subject to negotiation between
22 the Board of Directors of GEDA, *I Maga’lahen Guåhan*, and the
23 lender; and such interest rate *shall* be computed on a monthly average
24 and based on the actual amount extended for the Authority; and

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

1 (5) The line of credit, a revolving loan fund, municipal lease
2 financing, and/or a direct loan may be secured by a pledge or other
3 reservation of revenues collected by the government of Guam from
4 the taxes collected under the “Business Privilege Tax Law” (namely,
5 11 GCA Chapter 25, excluding the alcoholic beverage taxes, liquid
6 fuel taxes, automotive surcharges, tobacco taxes and real property
7 taxes). The Business Privilege Tax pledged or reserved *shall only*
8 apply to the unpledged portion of the business privilege tax (currently
9 one percentage point of the current four percent Business Privilege
10 Tax rate) so as not to violate the government of Guam’s covenants to
11 bondholders of the Series A, Series B and Series C Limited Obligation
12 bonds authorized through Public Law 31-76, Public Law 31-196 and
13 Public Law 31-276. The sum of Six Hundred Thousand Dollars
14 (\$600,000) will be used as security for the line of credit, a revolving
15 loan fund, and/or a direct loan. *I Maga’lahen Guåhan* and the Guam
16 Economic Development Authority are hereby authorized to execute
17 the loan agreement, a revolving loan fund, and/or a direct loan
18 agreement and other necessary documentation.

19 (6) Any money borrowed *shall* be repaid in accordance with
20 the terms established in the negotiated agreement, but *not to exceed* an
21 amortization period of more than twenty (20) years. In no case shall
22 any amount borrowed be refinanced permitting repayment more than
23 twenty (20) years after the loan is made.

24 (7) Notwithstanding the provisions of Chapter 6 of Title 5 of
25 the Guam Code Annotated, the government of Guam hereby waives
26 immunity from any suit or action in contract upon the loan and
27 guaranty, but *does not* waive sovereign immunity as to the personal

1 liability of elected or appointed officials and employees of the
2 government of Guam. For the purpose of this provision only,
3 immunity is also waived as to the award of attorney fees and related
4 costs in connection with any suit brought to enforce any right or
5 obligation incurred under the loan authorized hereby or in connection
6 with the enforcement of any agreement, note or pledge that arises
7 directly from the indebtedness authorized hereby.

8 (8) This Guarantee is a general obligation of the government
9 of Guam, subject to the full faith and credit of the government of
10 Guam. The Guarantor consents to any and all extension of time and
11 waiver or modification of obligations guaranteed hereunder.

12 (9) Alternative Financing. *I Maga'lahen Guåhan* and the
13 Guam Economic Development Authority are authorized to utilize the
14 following alternative financing if necessary:

15 (A) Federal Guaranteed Loan or Community Facilities
16 Loan and Grants, instrumentalities of the United States
17 Department of Agriculture, if such financing better serves the
18 needs of the people of Guam; and/or

19 (B) Municipal Lease Financing. *I Maga'lahen*
20 *Guåhan*, with the assistance of the Guam Economic
21 Development Authority, is authorized to enter into a municipal
22 lease financing as defined under Title 5, Guam Code
23 Annotated, Division 5, Chapters 58, 58A, 58B, 58D and 58E.

24 (C) *I Maga'lahen Guåhan* is authorized to identify a
25 fund source, except for funding sources that are already
26 identified and earmarked for the Guam Memorial Hospital
27 Authority, limited to the amounts in this Act, and utilize such

1 source for the purposes of renovating the labor, delivery,
2 recovery, postpartum ward where our babies are born. *I*
3 *Maga'lahi shall* notify *I Liheslatura* (the Legislature) of the
4 fund source(s) identified pursuant to this provision *no later than*
5 ten (10) working days after identification of funds.

6 (10) The GMHA Board of Trustees *shall* cause an update of
7 its facilities master plan that will guide the capital improvement of the
8 Guam Memorial Hospital. The Trustees *shall* allocate sufficient funds
9 from the amount obtained from the line of credit, revolving fund,
10 and/or direct loan authorized by this Subsection for the purpose of
11 completing a master plan update. Review and approval of the
12 completed master plan update *shall* be in accordance with the AAL.
13 Said master plan update *shall* be completed within one hundred eighty
14 (180) days from the date of enactment of this statute.”