

EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

NOV 13 2015

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

Dear Madame Speaker:

Transmitted herewith is Bill No. 174-33 (COR), "AN ACT TO AMEND § 58104 OF CHAPTER 58, DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE REFINANCING OF THE GOVERNMENT OF GUAM'S OBLIGATIONS WITH RESPECT TO THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006B, AND THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOLS FACILITIES PROJECT) SERIES 2008," which was signed into law on the 9th day of November 2015, as **Public Law 33-94**.

2015 NOV 13 PM 4:53

Senseramente,

EDDIE BAZA CALVO

33-15-1092
Office of the Speaker
Judith T. Won Pat, Ed.D

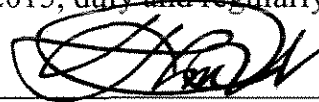
Date: 11/13/15
Time: 4:00 pm
Received By:

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I MINA'TRENTAI TRES NA LIHESLATURAN GUÁHAN
2015 (FIRST) Regular Session

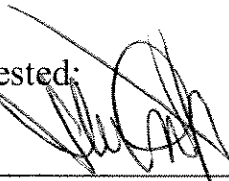
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LÁHEN GUÁHAN*

This is to certify that Bill No. 174-33 (COR), "AN ACT TO AMEND § 58104 OF CHAPTER 58, DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE REFINANCING OF THE GOVERNMENT OF GUAM'S OBLIGATIONS WITH RESPECT TO THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006A, THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOL FACILITIES PROJECT) SERIES 2006B, AND THE GUAM EDUCATION FINANCING FOUNDATION CERTIFICATES OF PARTICIPATION (GUAM PUBLIC SCHOOLS FACILITIES PROJECT) SERIES 2008," was on the 27th day of October 2015, duly and regularly passed.



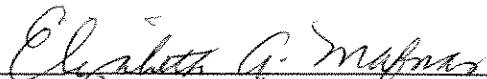
Judith T. Won Pat, Ed.D.
Speaker

Attested:



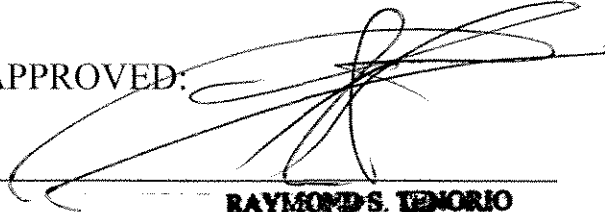
Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'láhen Guáhan* this 28th day of October,
2015, at 4:22 o'clock P.M.



Assistant Staff Officer
Maga'láhi's Office

APPROVED:



RAYMOND S. TENORIO
Acting Governor of Guam

Date:

NOV 09 2015

Public Law No.

33-94

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 174-33 (COR)

As amended by the Committee on Finance and Taxation,
General Government Operations, and Youth Development;
and further amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D.
Dennis G. Rodriguez, Jr.
N. B. Underwood, Ph.D.
Michael F.Q. San Nicolas
R. J. Respicio
James V. Espaldon
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
Brant T. McCreddie
Tommy Morrison
T. R. Muña Barnes
Mary Camacho Torres

**AN ACT TO *AMEND* § 58104 OF CHAPTER 58,
DIVISION 5, TITLE 5, GUAM CODE ANNOTATED,
RELATIVE TO THE REFINANCING OF THE
GOVERNMENT OF GUAM'S OBLIGATIONS WITH
RESPECT TO THE GUAM EDUCATION FINANCING
FOUNDATION CERTIFICATES OF PARTICIPATION
(GUAM PUBLIC SCHOOL FACILITIES PROJECT)
SERIES 2006A, THE GUAM EDUCATION FINANCING
FOUNDATION CERTIFICATES OF PARTICIPATION
(GUAM PUBLIC SCHOOL FACILITIES PROJECT)
SERIES 2006B, AND THE GUAM EDUCATION
FINANCING FOUNDATION CERTIFICATES OF
PARTICIPATION (GUAM PUBLIC SCHOOLS
FACILITIES PROJECT) SERIES 2008.**

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

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

3 as follows: (a) that under current market conditions, some or all of the government
4 of Guam’s obligations with respect to the Guam Education Financing Foundation
5 Certificates of Participation (COP) (Guam Public School Facilities Project) Series
6 2006A (2006A Certificates of Participation), the Guam Education Financing
7 Foundation Certificates of Participation (Guam Public School Facilities Project)
8 Series 2006B (2006B Certificates of Participation), and the Guam Education
9 Financing Foundation Certificates of Participation (Guam Public School Facilities
10 Project) Series 2008; (collectively, the 2006 and 2008 Certificates of Participation)
11 can be refinanced with significant savings for the General Fund; and (b) that the
12 2006 and 2008 Certificates of Participation are not, and the refinancing bonds will
13 not be, “public indebtedness,” as that term is defined in 48 U.S.C. § 1423a, §11 of
14 the Organic Act of Guam.

15 *I Liheslaturan Guåhan* acknowledges that the savings captured through the
16 refinancing of these COPs are paid by Compact Impact Funds, over which *I*
17 *Maga’låhen Guåhan* (the Governor of Guam) has sole authority. *I Liheslaturan*
18 *Guåhan* encourages and recommends that *I Maga’låhen Guåhan* use the savings
19 to help with the preventive and routine maintenance of GDOE school facilities, for
20 the construction of the GCC Maintenance and Wellness Center, and for capital
21 improvement projects in preparation for the WASC accreditation visit at UOG, and
22 for their aquaculture and aquatic restoration projects.

23 **Section 2. Authorization of Refinancing of the Government’s**
24 **Obligations with Respect to the Guam Education Financing Foundation**
25 **Certificates of Participation Series 2006 and 2008.**

1 § 58104 of Chapter 58, Division 5, Title 5, Guam Code Annotated, is hereby
2 *amended* to read as follows:

3 **“§ 58104. Authorization to Enter into Long-Term Leases.**

4 For the purpose of facilitating the refinancing of the design,
5 construction and maintenance of an existing Education Facility or existing
6 Education Facilities encompassed by this Act, the government of Guam or
7 an Education Agency, as the case may be, is authorized to lease under
8 existing contracts and/or existing amendments thereto, if required, to the
9 Contractor, subject to legislative approval, sufficient government of Guam
10 real property, to include, but *not* be limited to, Chamorro Land Trust
11 Commission property and Guam Ancestral Lands Commission property, on
12 which to construct, convert or rehabilitate an Education Facility; provided,
13 such property is in the inventory of the Education Agency. The location of
14 the property may be at the site of an existing Education Facility under the
15 control of an Education Agency, which may be converted, rehabilitated or
16 demolished and rebuilt under the provisions of this Act.

17 Any lease of property pursuant to this Act will be for a period
18 mutually agreed upon between the Education Agency and the Contractor as
19 may be reasonably necessary to amortize over the Lease-Back period of the
20 Contract, the costs associated with the financing, design, construction and
21 maintenance of the Education Facility, and in no event shall such period
22 exceed thirty (30) years from the date of commencement of the Lease-Back
23 period; and provided further, that with respect to leases of property for the
24 sole purpose of refinancing the prior design, construction and maintenance
25 of an existing Education Facility or existing Education Facilities: (1) any
26 leases and/or amendments to such leases entered into for such purposes *shall*
27 *not* extend the original Lease-Back period relating to such prior design,

1 construction and maintenance of an existing Education Facility or existing
2 Education Facilities of any original leases applied to finance such prior
3 design, construction and maintenance of an existing Education Facility or
4 existing Education Facilities; (2) with respect to any existing leases and/or
5 existing amendments to leases that have the effect of refinancing the
6 government's obligations with respect to the Guam Education Financing
7 Foundation Certificates of Participation Series 2006 and 2008 (2006 and
8 2008 Certificates), all obligations of the government to pay debt service with
9 respect to the 2006 and 2008 Certificates being refinanced *shall* be
10 discharged concurrently with the execution of the leases and/or amendments
11 to leases entered into for such refinancing purpose, and thereafter any
12 remaining debt service on the refunded 2006 and 2008 Certificates *shall* be
13 payable solely from and secured solely by a refunding escrow established for
14 such purpose; (3) the present value in the aggregate of debt service with
15 respect to the government's obligations with respect to such new leases or
16 amendments to leases *shall* be at least two percent (2%) less than the present
17 value in the aggregate of debt service on the refunded 2006 and 2008
18 Certificates, using the yield on the refunding bonds as the discount rate; (4)
19 no increase in the amount of outstanding "public indebtedness" as that term
20 is used in 48 USC 1423a (§11 of the Organic Act of Guam) shall result from
21 the execution of any such existing leases and/or existing amendments to
22 leases; and (5) any refinancing of such Certificates of Participation *shall*
23 bear interest at such rates and be sold for such price or prices as *shall* result
24 in a yield to the certificate-holders that *does not exceed* three percent (3%)
25 per annum.

26 The Contractor *shall* lease back to the Education Agency the property
27 for the Lease-Back period. Upon the expiration of the Lease and the Lease-

1 Back periods and the fulfillment of the terms and conditions of the Lease-
2 Back by the Education Agency, the property and the existing Education
3 Facility or existing Education Facilities *shall* become the property of the
4 Education Agency, and the Contractor *shall* have no further right, title or
5 interest in the property or the existing Education Facility or existing
6 Education Facilities.”

7 **Section 3.** Any fee to be paid to the Guam Economic Development
8 Authority for their assistance in refinancing the 2006, 2006B and 2008 Certificates
9 of Participation *shall* be from the source of debt service for these notes.

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