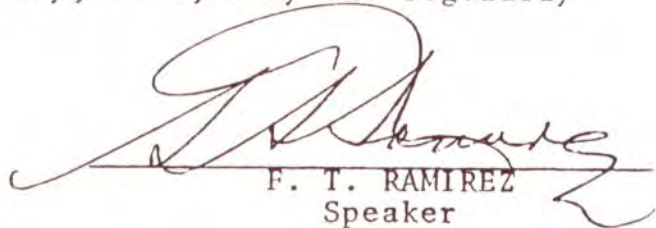


TWELFTH GUAM LEGISLATURE  
1974 (SECOND) Regular Session

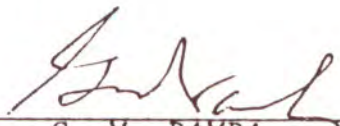
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CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 715, "An Act to repeal Chapters VI, VII, VIII, and XI of Title XIV of the Government Code of Guam and to reenact Chapter VI of said Code relative to establishing the Chamorro Land Trust Commission", was on the 8th day of January, 1975, duly and regularly passed.

  
F. T. RAMIREZ  
Speaker

ATTESTED:

  
G. M. BAMBA  
Legislative Secretary

-----  
This Act was received by the Governor this 13th day  
of January, 1975 at 9:15 o'clock A. M.

/s/ RICHARD D. MAGEE

\_\_\_\_\_  
RICHARD D. MAGEE, Acting  
Attorney General of Guam

APPROVED:

151  
\_\_\_\_\_  
RICARDO J. BORDALLO  
Governor of Guam

DATED: 2.4.75  
6:36 AM  
Plk 12-226



OFFICE OF THE  
ATTORNEY GENERAL

TWELFTH GUAM LEGISLATURE  
1974 (SECOND) Regular Session

Bill No. 715

Introduced by P. J. Bordallo

AN ACT TO REPEAL CHAPTERS VI, VII, VIII, AND  
XI OF TITLE XIV OF THE GOVERNMENT CODE OF GUAM  
AND TO REENACT CHAPTER VI OF SAID CODE RELATIVE  
TO ESTABLISHING THE CHAMORRO LAND TRUST  
COMMISSION.

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

2 Section 1. Chapters VI, VII, VIII, and XI of Title XIV of  
3 the Government Code of Guam are hereby repealed in their  
4 entireties.

5 Section 2. A new Chapter VI to Title XIV of the Government  
6 Code of Guam is hereby enacted to read as follows:

7 "CHAPTER VI

8 CHAMORRO LAND TRUST COMMISSION

9 Section 13500. Definitions. When used in this title:

10 (a) The term 'Commission' means the Chamorro  
11 Land Trust Commission.

12 (b) The term 'territory' means the territory of Guam.

13 (c) The term 'Chamorro homelands' means all lands  
14 given the status of Chamorro homelands under the pro-  
15 visions of Section 13504 of this Chapter.

16 (d) The term 'native Chamorro' means any person  
17 who the Commission determines to be of at least one-  
18 fourth part of the blood of any person who inhabited  
19 the island prior to 1898.

20 (e) The term 'department' means the Department  
21 of Land Management.

22 Section 13501. Commission: composition, chairman,  
23 compensation. (a) There is within the government of  
24 Guam the Chamorro Land Trust Commission. The Commission  
25 shall be composed of five (5) members to be appointed



Chapter  
1 by the Governor with the confirmation of the Legislature.  
2 Failure by the Legislature to confirm the appointment  
3 of a Commission member within five (5) legislative days  
4 after its receipt shall be deemed confirmation. Commission  
5 members shall be appointed within sixty (60) days after  
6 the enactment of this Chapter. All members shall have been  
7 residents of the territory at least three (3) years prior  
8 to their appointment and at least three (3) of the members  
9 shall be native Chamorro. Members shall serve terms of  
10 three (3) years, provided, however, that of the members  
11 first appointed, one (1) shall be appointed for a term  
12 of one (1) year and two (2) shall be appointed for terms  
13 of two (2) years. The members of the Commission shall  
14 serve without pay, but shall receive reimbursement for  
15 actual expenses incurred by them in the discharge of their  
16 duties as such members. The Governor shall appoint the  
17 chairman of the Commission from among the members thereof.  
18 The Commission shall have its first meeting within twenty  
19 (20) days after confirmation of its members.

20 (b) The Commission may employ such clerical and other  
21 assistants who shall be classified employees as may be  
22 necessary to effectively execute its responsibilities. In  
23 addition, the Commission shall employ and fix the com-  
24 pensation for an Administrative Director who shall serve  
25 in a full-time capacity and who shall exercise such powers  
26 and authority as may be delegated to him by the Commission.  
27 The director shall be a native Chamorro. Furthermore, the  
28 Commission may employ and fix the salary of professional  
29 consultants.

30 Section 13502. Administration. (a) The Commission  
31 shall adopt rules, regulations, and policies in accordance



1 with Chapter III, Title XXV, Government Code of Guam.  
2 The Commission may accept grants, contributions, and  
3 appropriations and may make such expenditures, loans  
4 and other disbursements as are authorized by this  
5 Chapter. These disbursements shall be allowed and paid  
6 out in accordance with the direction of the Commission  
7 upon presentation to the Administrative Director of  
8 itemized vouchers therefor signed by the Commission  
9 certifying officer in accordance with Public Law 12-34.  
10 The Administrative Director shall give bond in the sum of  
11 Five Hundred Thousand Dollars (\$500,000) for the faithful  
12 performance of his duties. These funds created by Section  
13 13511 of this Chapter shall be maintained separate and  
14 apart from any other government fund and shall be in the  
15 custody of the Commission certifying officer. The  
16 Commission shall make an annual finance and progress  
17 report to the Legislature upon the first date of each  
18 regular session thereof and such special reports as the  
19 Legislature may from time to time require.

20 (b) When land originally leased by the Commission  
21 is, in turn, subleased by the Commission's lessee or  
22 sublessee, the Commission shall submit, within ten (10)  
23 days of the convening of any regular session, a written  
24 report to the Legislature which shall cover the sublease  
25 transactions occurring in the calendar year prior to the  
26 regular session and shall contain the names of the persons  
27 involved in the transaction, the size of the area under  
28 lease, the purpose of the lease, the land classification  
29 of the area under lease, the lease rental, the reason  
30 for approval of the sublease by the Commission, and the  
31 estimated net economic result accruing to the Commission



1 lessee, and sublessee.

2 (c) The Commission shall have the power and authority  
3 to invest and re-invest any of the money in any of its  
4 funds, not otherwise immediately needed for the purposes  
5 of the funds in such bonds and securities authorized in  
6 Chapter III, Title V of this Code. Any interest or other  
7 earnings arising out of such investment shall be credited  
8 to and deposited in the Chamorro Home Loan Fund.

9 (d) The Commission is authorized to carry on any  
10 activities it deems necessary to assist lessees in obtain-  
11 ing maximum utilization of leased lands, including taking  
12 any steps necessary to develop these lands for their  
13 highest and best use commensurate with the purposes for  
14 which the land is being leased as provided for in Section  
15 13506, and assisting lessees in all phases of farming and  
16 ranching operations and the marketing of their agricultural  
17 produce and livestock. In these efforts the Commission  
18 shall coordinate its efforts with the Department of  
19 Agriculture.

20 (e) The Commission, may designate and plan sub-  
21 divisions in accordance with the provisions of Title XIX,  
22 Government Code of Guam, on available lands, in, adjacent  
23 to, or near any village. Subdivision lots shall be leased  
24 in accordance with Section 13506.

25 Section 13503. Certain government lands designated  
26 'available lands'. (a) All government lands excluding (1)  
27 lands held under agricultural lease, land use permit, or  
28 right of purchase lease, (2) all lands dedicated to a  
29 specific public use by law, and (3) all lands reserved  
30 in accordance with Section 13004 of this Code which  
31 reservations are submitted to and concurred in by the



1 Legislature within ninety (90) days of the enactment  
2 of this Chapter, are hereby designated as available lands.

3 (b) Any land acquired by the government by whatever  
4 means after the effective date of this Chapter shall  
5 acquire the status of available lands unless reserved in  
6 accordance with Section 13004 of this Code within sixty  
7 (60) days after its acquisition.

8 Section 13504. Control by Commission of available  
9 lands; return to Department. Upon and after the enactment  
10 of this Chapter, all available lands shall immediately  
11 assume the status of Chamorro homelands and shall be  
12 under the control of the Commission to be used and dis-  
13 posed of in accordance with the provisions of this  
14 Chapter, except that:

15 (a) In case any government land is under lease,  
16 permit or agreement at the enactment of this Chapter,  
17 such land shall not assume the status of Chamorro  
18 homelands until the lease, permit or agreement expires  
19 or the lands are withdrawn from the operation of the  
20 lease, permit or agreement. If the land is covered by  
21 a lease, permit or agreement containing a withdrawal  
22 clause, the department shall withdraw such lands from  
23 the operation of the lease permit or agreement whenever  
24 the Commission gives notice to it that the lands are  
25 required by it for the purposes of this Chapter.

26 (b) Any available land as may not be immediately  
27 needed for the purposes of this Chapter, may be returned  
28 to the department for management. Any Chamorro homelands  
29 so returned may be disposed of under a general lease only.  
30 Each such lease, whether or not stipulated therein, shall  
31 be deemed made subject to the right and duty of the



1 department to terminate the lease and return the lands to  
2 the Commission whenever the Commission gives notice that  
3 the lands are required by it for the purposes of this  
4 Chapter. However, no lease shall be made for a term  
5 to exceed twenty-five (25) years. All income arising  
6 out of any lease or license entered into under this  
7 subsection shall be credited to and deposited in the  
8 Chamorro Home Loan Fund.

9 (c) The department may sell to any contiguous land-  
10 owner any fractional lot placed under its management which  
11 was created by the adoption of the standard block system.

12 (d) In the management of any retained available lands  
13 not required for leasing under Section 13506, the  
14 Commission may lease or license such lands to the  
15 general public. Any lease or license made under this  
16 subsection shall comply with the conditions of  
17 subsection (b) above.

18 (e) The Commission may, in order to consolidate its  
19 holdings or to better effectuate the purposes of this  
20 Chapter, exchange the title to available lands for land  
21 of an equal value. All lands so acquired by the Commission  
22 shall assume the status of available lands as though the  
23 same were originally designated as such under Section 13503.

24 (f) The Commission shall not lease or license any  
25 available land until it is registered under the provisions  
26 of Section 1157 et seq. of the Civil Code (Land Title  
27 Registration Act).

28 Section 13505. Other officers not to control Chamorro  
29 homelands; exception. The powers and duties of the  
30 Governor and the department with respect to lands of the  
31 territory shall not extend to lands having the status of



1 Chamorro homelands except as specifically provided  
2 for in this Chapter.

3 Section 13506. Leases to Chamorro, licenses. (a) The  
4 Commission is authorized to lease to native Chamorros the  
5 right to the use and occupancy of a tract or tracts of  
6 Chamorro homelands within the following acreage limits  
7 per each lessee: (1) not less than one or more than  
8 twenty (20) acres for agricultural use; or (2) not less  
9 than one nor more than fifty (50) acres for grazing use,  
10 and (3) not more than one (1) acre or any class of land  
11 to be used as a residence lot.

12 (b) The title to lands so leased shall remain in the  
13 territory. Applications for tracts shall be made to and  
14 granted by the Commission under such regulations, not in  
15 conflict with any provision of this Chapter, as the  
16 Commission may prescribe. The Commission shall, whenever  
17 tracts are available, enter into such a lease with any  
18 applicant who, in the opinion of the Commission, is  
19 qualified to perform the conditions of such lease.

20 (c) The Commission is authorized to grant licenses  
21 for terms of not to exceed twenty-one (21) years in each  
22 case, to public utility companies, or corporations as  
23 easements for telephone lines, electric power and light  
24 lines, gas mains, and the like. The Commission is also  
25 authorized to grant licenses for lots within a village in  
26 which lands are leased under the provisions of this  
27 section, to:

28 (1) churches, hospitals, public schools,  
29 post offices, and other improvements for public  
30 purposes;

31 (2) theaters, garages, service stations,



1 markets, stores, and other mercantile establish-  
2 ments (all of which shall be owned by lessees of  
3 the Commission or by organizations formed and  
4 controlled by said lessees).

5 (d) Upon direction by resolution from the Legislature,  
6 the Commission shall release to the department any un-  
7 leased available land designated for a public purpose.  
8 Such land will no longer be considered to be Chamorro  
9 homelands.

10 Section 13507. Conditions in leases. Each lease made  
11 under the authority granted the Commission by the provi-  
12 sions of Section 13506 of this Chapter, and the tract in  
13 respect to which the lease is made, shall be deemed sub-  
14 ject to the following conditions, whether or not stipulated  
15 in the lease.

16 (a) The original lessee shall be a native Chamorro,  
17 not less than eighteen (18) years of age. In case two  
18 lessees either original or in succession marry, they  
19 shall choose the lease to be retained, and the remaining  
20 lease shall be transferred or cancelled in accordance  
21 with the provisions of succeeding sections.

22 (b) The lessee shall pay a rental of One Dollar (\$1.00)  
23 a year for the tract and the lease shall be for a term of  
24 ninety-nine (99) years.

25 (c) The lessee shall occupy and commence to use or  
26 cultivate the tract as his home or farm within one (1)  
27 year after the lease is made. The lessee of agricultural  
28 lands shall plant and maintain not less than five, ten,  
29 fifteen and twenty trees per acre of land leased and the  
30 lessee of grazing lands shall plant and maintain not less  
31 than two, three, four, and five trees per acre of land



1 leased during the first, second, third and fourth  
2 years, respectively, after the date of the lease. Such  
3 trees shall be of types approved by the Department of  
4 Agriculture and at locations specified by the Department  
5 of Agriculture's agent. Such planting and maintenance  
6 shall be by or under the immediate control and direction  
7 of the lessee. Such trees shall be furnished by the  
8 Department of Agriculture free of charge.

9 (d) The lessee shall thereafter, for at least such  
10 part of each year as the Commission shall by regulation  
11 prescribe, so occupy and use or cultivate the tract on  
12 his own behalf.

13 (e) The lessee shall not in any manner transfer to,  
14 or mortgage, pledge, or otherwise hold for the benefit of,  
15 any other person or group of persons or organizations of  
16 any kind, except a native Chamorro or Chamorros; and then  
17 only upon the approval of the Commission, or agree so to  
18 transfer, mortgage, pledge, or otherwise hold, his  
19 interest in the tract. Such interest shall not, except  
20 in pursuance of such a transfer, mortgage, or pledge to  
21 or holding for or agreement with a native Chamorro or  
22 Chamorros approved of by the Commission or for any indebted-  
23 ness due the Commission or for taxes, or for any other  
24 indebtedness the payment of which has been assured by the  
25 Commission, including loans from governmental agencies  
26 where such loans have been approved by the Commission,  
27 be subject to attachment, levy, or sale upon court  
28 process. The lessee shall not sublet his interest in  
29 the tract or improvements thereon.

30 (f) The lessee shall pay all taxes assessed upon  
31 the tract and improvements thereon. The Commission may



1 in its discretion pay such taxes and have a lien there-  
2 for as provided by Section 13513 of this Act.

3 (g) The lessee shall perform such other conditions,  
4 not in conflict with any provision of this Chapter, as  
5 the Commission may stipulate in the lease, provided,  
6 however, that an original lessee shall be exempt from  
7 all taxes for the first seven (7) years from date of  
8 lease.

9 (h) The Commission may assure the repayment of loans  
10 to lessees from governmental agencies where such loans  
11 have been approved by the Commission up to the limits  
12 prescribed in Section 13511 provided that the lessee has  
13 no indebtedness due the Commission and the Commission  
14 shall not make any loans to the lessee while loans from  
15 governmental agencies are outstanding; provided further  
16 that upon receipt of notice of default in the payment of  
17 such loans, the Commission, may upon failure of the  
18 lessee to cure the default within sixty (60) days, cancel  
19 the lease and thereupon use its best efforts to dispose  
20 of the tract to a qualified and responsible native  
21 Chamorro or Chamorros as a new lessee who will assume the  
22 obligation of the outstanding debt thereby assured, and  
23 make payments to the governmental agency from available  
24 funds either for the monthly payments as they become due  
25 and payable or for the amount of the debt. In no event  
26 shall the aggregate amount assured by the Commission  
27 exceed Two Million Dollars (\$2,000,000).

28 Section 13508. Successors to lessees. (a) Upon the  
29 death of the lessee, his interest in the tract or  
30 tracts and the improvements thereon, including growing  
31 crops (either on the tract or in any collective contract



1 or program to which the lessee is a party by virtue of  
2 his interest in the tract or tracts), shall vest in the  
3 relatives of the decedent as provided in this paragraph.  
4 From the following relatives of the lessee, husband and  
5 wife, children, widows or widowers of the brothers and  
6 sisters, or nieces and nephews, -- the lessee shall desig-  
7 nate the person or persons to whom he directs his interest  
8 in the tract or tracts to vest upon his death. Such  
9 person or persons must be qualified to be a lessee of  
10 Chamorro homelands: provided, that such person or persons  
11 need not be eighteen (18) years of age. Such designation  
12 must be in writing, must be specified at the time of  
13 execution of such lease with a right in such lessee in  
14 similar manner to change such beneficiary at any time  
15 and shall be filed with the Commission and approval by  
16 the Commission in order to be effective to vest such  
17 interests in the successor or successors so named.

18 In the absence of such a designation as approved  
19 by the Commission, the Commission shall select from the  
20 relatives of the lessee in order named above as limited  
21 by the foregoing paragraph one or more persons who are  
22 qualified to be lessees of Chamorro homelands except  
23 as hereinabove provided, as the successor or successors  
24 of the lessee's interest in the tract or tracts, and  
25 upon the death of the lessee, his interest shall vest  
26 in the person or persons so selected. The Commission may  
27 select such a successor or successors after the death  
28 of the lessee, and the rights to the use and occupancy  
29 of the tract or tracts may be made effective as of the  
30 date of the death of such lessee.

31 In the case of the death of a lessee leaving no such



1 relative qualified to be a lessee of Chamorro homelands,  
2 the land subject to the lease shall resume its status  
3 as unleased Chamorro homelands and the Commission is  
4 authorized to lease such land to a native Chamorro or  
5 Chamorros as provided in this Chapter.

6 Upon the death of a lessee leaving no such relative  
7 qualified to be a lessee of Chamorro homelands, or the  
8 cancellation of a lease by the Commission, or the  
9 surrender of a lease by the lessee, the Commission shall  
10 appraise the value of all such improvements and growing  
11 crops and shall pay to the legal representative of the  
12 deceased lessee, or to the previous lessee, as the case  
13 may be, the value thereof, less any indebtedness to the  
14 Commission, or for taxes, or for any other indebtedness  
16 the payment of which has been assured by the Commission,  
17 from the deceased lessee or the previous lessee. Such  
18 payments shall be made out of the loan fund and shall be  
19 considered an advance therefrom reimbursable out of payments  
20 made by the successor or successors to the tract involved.  
21 Such appraisal shall be made by three appraisers, one of  
22 which shall be named by the Commission, one by the pre-  
23 vious lessee or the legal representative of the deceased  
24 lessee, as the case may be, and the third shall be selected  
25 by the two appraisers hereinbefore mentioned.

26 (b) After the cancellation of a lease by the  
27 Commission in accordance with the provisions of Section  
28 13509 or 13513 of this Title, or the surrender of a  
29 lease by a lessee, the Commission is authorized to  
30 transfer the lease or to issue a new lease to any  
31 qualified Chamorro regardless of whether or not he is



1 related in any way by blood or marriage to the  
2 previous lessee.

3 (c) Should any successor or successors to a tract be  
4 a minor or minors, the Commission may appoint a guardian  
5 therefor subject to the approval of the Superior Court.  
6 Such guardian shall be authorized to represent the  
7 successor or successors in all matters pertaining to the  
8 leasehold: provided, that said guardian shall, in so  
9 representing such successor or successors, comply with  
10 the provisions of this Title and the stipulations and  
11 provisions contained in the lease, except that said  
12 guardian need not be a native Chamorro as defined in  
13 Section 13500 of this Title.

14 Section 13509. Cancellation of leases. Whenever the  
15 Commission has reason to believe that any condition  
16 enumerated in Section 13507 or any provision of Section  
17 13508 of this Chapter has been violated, the Commission  
18 shall give due notice and afford opportunity for a hearing  
19 to the lessee of the tract in respect to which the alleged  
20 violation relates or to the successor of the lessee's  
21 interest therein, as the case demands. If upon such hearing  
22 the Commission finds that the lessee or successor has  
23 violated any condition in respect to the leasing of such  
24 tract, the Commission may declare his interest in the  
25 tract and all improvements thereon to be forfeited and the  
26 lease in respect thereto cancelled, and shall thereupon  
27 order the tract to be vacated within a reasonable time.  
28 The right to the use and occupancy of the Chamorro home-  
29 lands contained in such tract shall thereupon revert in  
30 the Commission and the Commission may take possession of  
31 the tract and the improvements thereon.



1           Section 13510. Community pastures. The Commission  
2 shall, when practicable, provide from the Chamorro home-  
3 lands a community pasture adjacent to each village.

4           Section 13511. Chamorro Home Loan Fund; Chamorro  
5 Home Development Fund; Chamorro Educational Fund;  
6 Chamorro Commercial Loan Fund; Chamorro Home Repair Loan  
7 Fund; and the Chamorro Loan Guarantee Fund. (a) There are  
8 hereby established three (3) revolving funds to be known  
9 as the Chamorro Home Loan Fund, the Chamorro Commercial  
10 Loan Fund and the Chamorro Home Repair Fund and three (3)  
11 special funds to be known as the Chamorro Home Development  
12 Fund, the Chamorro Educational Assistance Fund, and the  
13 Chamorro Loan Guarantee Fund.

14           (b) Chamorro Home Loan Fund. There is hereby authorized  
15 to be appropriated from the Unappropriated Surplus of the  
16 General Fund the sum of One Million Dollars (\$1,000,000)  
17 as initial capital to said Fund. In furtherance of the  
18 purposes herein, the Commission may do any one or more of  
19 the following with moneys from this Fund and any borrowed  
20 moneys under (6) herein below:

21           (1) The Commission may extend the benefits  
22 of the Fund only to native Chamorros as defined  
23 in this Chapter;

24           (2) The Commission may loan, or guarantee the  
25 repayment of or otherwise underwrite any authorized  
26 loan, up to a maximum of Twenty-Five Thousand  
27 Dollars (\$25,000); provided, that where, upon the  
28 death of a lessee living on Chamorro homelands  
29 who leaves no relatives qualified to be a lessee  
30 of Chamorro homelands, or the cancellation of a  
31 lease by the lessee, the Commission shall be



1 authorized to make payment and to permit assumption  
2 of loans in excess of Twenty-Five Thousand Dollars  
3 (\$25,000) subject to the provisions of Section  
4 13512(b);

5 (3) Where the dwelling is on Chamorro home  
6 lands, anything in the Chapter to the contrary not-  
7 withstanding, either the Commission or other govern-  
8 mental agencies may make loans, and the loans made  
9 in connection with the repair or maintenance or  
10 purchase or erection or improvement of dwellings shall  
11 be subject to, all applicable provisions of the  
12 Chapter, including but not limited to the provisions  
13 of Sections 13506, 13507, 13508, 13509, 13512, 13513,  
14 and 13514, and to such legislative amendments of the  
15 Chapter herein or thereafter enacted, provided such  
16 amendments do not change the qualifications of  
17 lessees or constitute a reduction or impairment of  
18 the Chamorros Home Loan Fund, or Chamorro Home  
19 Development Fund or otherwise required the consent  
20 of the United States. Loans made to lessees by  
21 governmental agencies shall be approved by the  
22 Commission, and the Commission may assure the pay-  
23 ment of such loans, provided that the Commission  
24 shall reserve the following rights, among others:  
25 the right of succession to the lessee's interest  
26 and assumption of the contract of loan; right to  
27 require that written notice be given to the Commission  
28 immediately upon default or delinquency of the  
29 lessee; and any other rights necessary to protect  
30 the monetary and other interests of the Commission.

31 (4) Where the dwelling is on non-Chamorro home



1 lands, anything in the Chapter to the contrary not-  
2 withstanding, either the Commission or financial  
3 institutions may make loans, and in connection with  
4 such loans, the Commission shall be governed by,  
5 and the loans made in connection with the repair or  
6 maintenance or purchase or erection or improvement of  
7 dwellings shall be subject to, such terms and con-  
8 ditions as the Commission may, by rules and regula-  
9 tions promulgate, provided, the Commission shall  
10 require any loan made or guaranteed or otherwise  
11 underwritten to be secured adequately and suitably  
12 by a first or second mortgage or other securities;

13 (5) The Commission shall establish interest rate  
14 or rates at two and one-half per cent (2-1/2%) a  
15 year or higher, in connection with authorized loans  
16 on Chamorro homelands or non-Chamorro homelands, and  
17 where the going rate of interest on loans made by  
18 financial institutions to native Chamorros is higher,  
19 pay from the Fund or the moneys borrowed, the  
20 difference in interest rates;

21 (6) The Commission may borrow and deposit funds  
22 into a special revolving account for the purposes of  
23 repairing, maintaining, purchasing, erecting or im-  
24 proving dwellings on Chamorro homelands and non-  
25 Chamorro homelands and related purposes from  
26 financial institutions, governmental, or private;

27 The Commission may purchase or otherwise acquire,  
28 or agree so to do, before or after default, any notes  
29 and mortgages or other securities, covering loans  
30 under this program made by financial institutions,  
31 and guarantee the repayment of or otherwise underwrite



1 the loans, and accept the assignment of any notes and  
2 mortgages or other securities in connection therewith;

3 (7) The Commission may exercise the functions  
4 and reserved rights of a lender of money or mortgagee  
5 of residential property in all loans by financial  
6 institutions made to Chamorros under this program.  
7 The functions and reserved rights shall include but  
8 not be limited to, the purchasing, repurchasing,  
9 servicing, selling, foreclosing, buying upon fore-  
10 closure, guaranteeing the repayment or otherwise  
11 underwriting, of any loan, protecting of security  
12 interest, and after foreclosure, the repairing, re-  
13 novating or modernization and sale of the property  
14 covered by the loan and mortgage, to achieve the  
15 purposes of this program while protecting the  
16 monetary and other interests of the Commission.

17 (c) Chamorro Home Development Fund. Twenty-five  
18 per cent (25%) of the amount of moneys covered into the  
19 Chamorro Home Loan Fund annually shall be transferred  
20 into the Chamorro Home Development Fund. The moneys in  
21 said development fund shall be available, with the prior  
22 written approval of the Governor for construction of  
23 sanitary sewerage facilities for the construction of  
24 roads through and over Chamorro homelands, and for  
25 other non-revenue producing improvements.

26 (d) Match moneys. The Commission is authorized  
27 and empowered to use moneys in the development  
28 fund, with the prior written approval of the  
29 Governor, to match Federal funds available for



1 the same purposes and to that end is authorized to enter  
2 into such undertakings, agree to such conditions, transfer  
3 funds therein available for such expenditures and do per-  
4 form such other acts and things, as may be necessary or  
5 required, as a condition to securing match funds for such  
6 projects or works.

7 (e) Chamorro Educational Assistance Fund. Ten per cent  
8 (10%) of the amount of moneys covered into the Chamorro  
9 Home Loan Fund annually shall be transferred into the  
10 Chamorro Educational Assistance Fund. The Department of  
11 Education shall establish and direct educational projects  
12 after consultation with the University of Guam and the  
13 Commission which shall be directed primarily for the  
14 educational improvement of the children of lessees, which  
15 shall be funded with this Fund with prior written approval  
16 of the Governor.

17 (f) Chamorro Commercial Loan Fund. The Commission is  
18 authorized to create a Fund out of which loans may be  
19 made to those holding leases issued under Section 13506 of  
20 this Chapter. The loans shall be for theaters, garages,  
21 service stations, markets, stores, and other mercantile  
22 establishments and these shall all be owned by lessees or  
23 by organizations formed and controlled by said lessees.  
24 The amount and duration of loans from this Fund at any one  
25 time to any lessee, or successor or successors in interest,  
26 shall be determined by the Commission on the basis of the  
27 proposed operations of lessee(s) and the security avail-  
28 able, provided, that where, upon the death of a lessee  
29 leaving no relative qualified to be a lessee of Chamorro  
30 homelands, or the cancellation of a lease by the Commission,  
31 or the surrender of a lease by the lessee, the Commission



1 shall make the payment provided for by Section 13508(a).  
2 The amount of any such payment made to the legal repre-  
3 sentative of the deceased lessee, or to the previous  
4 lessee, as the case may be, shall be considered as part  
5 or all, of any such loan to the successor or successors,  
6 without limitations as to any pre-established maximum  
7 amount but subject to provisions of Paragraph (b) of  
8 Section 13512.

9 (g) Chamorro Home Repair Loan Fund. There is hereby  
10 authorized to be appropriated from the Unappropriated  
11 Surplus of the General Fund the sum of One Hundred  
12 Thousand Dollars (\$100,000) for the Chamorro Home Repair  
13 Loan Fund. The moneys in this Fund shall be used to make  
14 loans in amounts not in excess of Five Thousand Dollars  
15 (\$5,000) to lessees for repairs to their existing homes  
16 and for necessary additions to such homes due to increase  
17 in family size. Such loans may be made for periods not to  
18 exceed five (5) years.

19 (h) The Chamorro Loan Guarantee Fund. The Commission  
20 is authorized to create a Fund out of which loans made  
21 by governmental agencies or lending institutions to those  
22 holding leases or licenses issued under Section 13506  
23 of this Chapter may be guaranteed. This guarantee may  
24 be for home or commercial loan purposes. The loan  
25 guarantees shall be subject to the restrictions imposed  
26 by Sections 13507 and 13512 of this Act.

27 Section 13512. Conditions of loans. Except as other-  
28 wise provided in Section 13511, each contract of loan  
29 under this Chapter with the lessee or any successor or  
30 successors to his interest shall be held subject to the  
31 following conditions whether or not stipulated in the



1 contract loan:

2 (a) The loans shall be repaid in periodic install-  
3 ments, such installments to be monthly, quarterly, semi-  
4 annual, or annual as may be determined by the Commission  
5 in each case. The term of any loan shall not exceed  
6 thirty (30) years. Payments of any sum in addition to the  
7 required installments, or payment of the entire amount of  
8 the loan, may be made at any time within the term of the  
9 loan. All unpaid balances of principal shall bear interest  
10 at the rate of two and one-half per cent (2-1/2%) a year  
11 payable periodically or upon demand by the department may  
12 determine. The payment of any installment due shall be  
13 postponed in whole or in part by the Commission for such  
14 reasons as it deems good and sufficient and until such  
15 later date as it deems advisable. Such postponed payments  
16 shall continue to bear interest at the rate of two and  
17 one-half per cent (2-1/2%) a year on the unpaid principal.

18 (b) In the case of the death of a lessee the  
19 Commission shall, in any case, permit the successor or  
20 successors to the tract to assume the contract of loan.  
21 In case of the cancellation of a lease by the Commission  
22 or the surrender of a lease by the lessee, the Commission  
23 may, at its option declare all installments upon the  
24 loan immediately due and payable, or permit the successor  
25 or successors to the tract to assume the contract of loan.  
26 The Commission may, in such cases where the successor or  
27 successors to the tract assume the contract of loan, waive  
28 the payment, wholly or in part, of interest already due and  
29 delinquent upon said loan, or postpone the payment of any  
30 installment thereon, wholly or in part, until such later  
31 date as it deems advisable. Such postponed payment shall,



1           however, continue to bear interest at the rate of two  
2           and one-half per cent (2-1/2%) a year on the unpaid  
3           principal. Further, the Commission may, if it seems  
4           advisable and for the best interests of the lessees,  
5           write-off and cancel, wholly or in part, the contract of  
6           the deceased lessee, or previous lessee, as the case may  
7           be, where such loans are delinquent and deemed uncollec-  
8           tible. Such write-off and cancellation shall be made only  
9           after an appraisal of all improvements and growing crops  
10          on the tract involved, such appraisal to be made in the  
11          manner and as provided for by Section 13508(a). In every  
12          case, the amount of such appraisal, or any part thereof,  
13          shall be considered as part or all, as the case may be,  
14          of any loan to such successor or successors.

15                 (c) No part of the moneys loaned shall be devoted to  
16                 any purpose other than those for which the loan is made.

17                 (d) The borrower or the successor to his interest,  
18                 shall comply with such other conditions, not in conflict  
19                 with any provision of this Chapter, as the Commission may  
20                 stipulate in the contract of loan.

21                 (e) The borrower or the successor to his interest  
22                 shall comply with the conditions enumerated in Section  
23                 13507 and with the provisions of Section 13508 of this  
24                 Chapter in respect to the lease of any tract.

25                 (f) Whenever the Commission shall determine that a  
26                 borrower is delinquent in the payment of any indebtedness  
27                 to the Commission, it may require such borrower to execute  
28                 an assignment to it, not to exceed, however, the amount  
29                 of the total indebtedness of such borrower, including the  
30                 indebtedness to others the payment of which has been  
31                 assured by the Commission of all moneys due or to become



1 due to such borrower by reason of any agreement or con-  
2 tract, collective or otherwise, to which the borrower is  
3 a party. Failure to execute such an assignment when re-  
4 quested by the Commission shall be sufficient ground for  
5 cancellation of the borrower's lease or interest therein.

6 Section 13513. Insurance by borrowers; acceleration  
7 of loans; lien and enforcement thereof. The Commission  
8 may require the borrower to insure, in such amount as the  
9 Commission may prescribe, any livestock, machinery, equip-  
10 ment dwellings and permanent improvements purchased or  
11 constructed out of any moneys loaned by the Commission;  
12 or, in lieu thereof, the Commission may directly take out  
13 such insurance and add the cost thereof to the amount of  
14 principal payable under the loan. Whenever the Commission  
15 has reason to believe that the borrower has violated any  
16 condition enumerated in Paragraphs (b), (d), (e) or (f) of  
17 Section Section 13512 of this Chapter, the Commission  
18 shall give due notice and afford opportunity for a hearing  
19 to the borrower or the successor or successors to his  
20 interest, as the case demands. If upon such hearing the  
21 Commission finds that the borrower has violated the  
22 condition, the Commission may declare all principal and  
23 interest of the loan immediately due and payable not-  
24 withstanding any provision in the contract of loan to the  
25 contrary. The Commission shall have a first lien upon the  
26 borrower's or lessee's interest in any lease, growing  
27 crops, either on his tract or in any collective contract  
28 or program, livestock, machinery and equipment purchased  
29 with moneys loaned by the Commission, and in any dwellings,  
30 or other permanent improvements paid by the Commission,  
31 and of all indebtedness of the borrower, the payment of



1 which has been assured by the Commission, including loans  
2 from governmental agencies where such loans have been  
3 approved by the Commission. Such lien shall have priority  
4 over any other obligation for which the property subject  
5 to the lien may be security. The Commission may, at such  
6 times as it deems advisable, enforce any such lien by  
7 declaring the borrower's interest in the property subject  
8 to the lien to be forfeited, any lease held by the  
9 borrower cancelled, and shall thereupon order such lease-  
10 hold premises vacated and the property subject to the lien  
11 surrendered within a reasonable time. The right to the use  
12 and occupancy of the Chamorro homelands contained in such  
13 lease shall thereupon revert in the Commission which may  
14 take possession of the premises covered therein and the  
15 improvements and growing crops thereon: provided that  
16 the Commission shall pay to the borrower any difference  
17 which may be due him after the appraisal provided for in  
18 Paragraph (a) of Section 13508 of this Title has been made.

19 Section 13514. Ejectment, when: loan to new lessee  
20 for improvements. In case the lessee or borrower or the  
21 successor to his interest in the tract, as the case may  
22 be, fails to comply with any order issued by the Commission  
23 under the provisions of Section 13509 or 13513 of this  
24 Chapter, the Commission may bring action of ejectment or  
25 other appropriate proceedings for the enforcement of said  
26 order. Any tract forfeited under the provisions of Section  
27 13509 or 13513 of this Chapter may be again leased by the  
28 Commission as authorized by the provisions of Section  
29 13506 of this Chapter, except that the value, in the  
30 opinion of the Commission, of all improvements made in  
31 respect to such tract by the original lessee or any



1 successor to his interest therein shall constitute a  
2 loan by the Commission to the new lessee. Such loan shall  
3 be subject to the provisions of this section and Sections  
4 13512 and 13513 to the same extent as loans made by the  
5 Commission from the Chamorro Home Loan Fund.

6 Section 13515. All agencies, departments, boards,  
7 commissions, and other instrumentalities of the territorial  
8 government shall review their present statutory authority,  
9 administrative regulations and current planning policies  
10 and procedures for the purpose of determining whether  
11 there are any deficiencies or inconsistencies therein  
12 which prohibit full cooperation with the purposes and  
13 provisions of this Chapter and shall propose to the  
14 Commission not later than ninety (90) days after the  
15 enactment of this Chapter measures as may be necessary to  
16 bring their planning authority and policies into con-  
17 formity with the intent, purposes, and procedures set forth  
18 in this Chapter.

19 Section 13516. Severability. If any provision of this  
20 Chapter or the application thereof to any person or cir-  
21 cumstance is held invalid, such invalidity shall not  
22 affect other provisions or applications of the Chapter  
23 which can be given effect without the invalid provision  
24 or application, and to this end the provisions of this  
25 Chapter are severable."

26 Section 3. Section 3 of Public Law 12-61 is hereby amended  
27 to read as follows:

28 "Section 3. Notwithstanding any other provision of  
29 law to the contrary, Chamorro Land Trust Commission, the  
30 Governor of Guam and the Director of the Department of  
31 Land Management shall not sell, lease or exchange



1 government-owned property without the prior approval  
2 of the Legislature. If the Legislature fails to act within  
3 twenty (20) legislative days following receipt of such  
4 proposed sale, lease or exchange, it shall be deemed to  
5 have concurred. This section shall not apply to leases  
6 made pursuant to Section 13506 of Chapter VI of the  
7 Government Code of Guam."

8 Section 4. Section 13004 of Chapter I, Title XIV, Government  
9 Code of Guam is hereby amended to read as follows:

10 "Section 13004. Reservation for use of government.  
11 The Director, after public hearing and with legislative  
12 concurrence, may, when necessary, reserve or set aside  
13 government real property not reserved by law for a specific  
14 public use for the future use of any other department or  
15 agency of the government; provided, that control of such  
16 real property shall not pass to such department or agency  
17 until it is necessary to the proper function and operation  
18 thereof. Property so reserved or set aside for future  
19 government use may be put to such temporary uses, con-  
20 sistent with the public interest, as the Director, with  
21 approval of the Governor, deems desirable."

22 Section 5. Effective date. Section 1 shall take effect in  
23 two steps: Section 1 of the bill and Sections 13501 and 13503(b)  
24 of Section 2 of the bill shall take effect January 1, 1975.  
25 The remaining sections in Section 1, and Sections 2 and 3 shall  
26 take effect on the date the Commission has its first meeting.