

Public Law 13-57
Thirteenth Guam Legislature
(Bill 145)

AN ACT

An Act to repeal Chapter IV of Title XLIV of the Government Code and to add a new title LXVI to the Government Code to create a Guam Airport Authority and authorize the issuance of Revenue Bonds by said authority.

Be it enacted by the People of the Territory of Guam:

Section 1. Chapter IV of Title XLIV of the Government Code is repealed on the effective date of this Act.

Section 2. A new Title LXVI of the Government Code is enacted to read:

“CHAPTER I

Section 6200. This Title may be cited as the ‘Guam Airport Authority Act’.

Section 62001. There is within, and a public corporation and autonomous instrumentality of, the government of Guam called the Guam Airport Authority.

Section 62002. As used in this Chapter, and Chapter III, unless otherwise indicated:

- (a) ‘Authority’ means the Guam Airport Authority.
- (b) ‘Board’ means the Board of Directors of the Authority.
- (c) ‘Director’ means a member of the Board.
- (d) ‘Executive Manager’ means the person employed by the Board to supervise the administration of the Authority.

Section 62003. The purpose of the Authority is to acquire, construct, reconstruct, purchase, extend, improve, better, operate and maintain airports and related facilities for civil aviation purposes on Guam.

Section 62004. The Authority shall have and exercise each and all of the following powers:

(a) Acquire, construct, reconstruct, purchase, better, extend, improve, operate and maintain airports and related facilities owned or used by Guam for civil aviation purposes.

(b) Acquire by grant, purchase, gift, devise, lease, permit, right of entry, or by the exercise of the right of eminent domain in accordance with the provisions and subject to the limitations of laws of Guam, and hold and use any real and personal property necessary, convenient, or useful for the carrying out of any of its powers pursuant to the provision of this Title, and to dispose of the same.

(c) To construct, operate and maintain runways, taxiways and related airport facilities on property owned by the United States and used by Guam pursuant to agreement with the United States.

(d) To assume the benefits and obligations of Guam under that certain Joint Use Agreement executed between Guam and the United States on July 19, 1974, and to assume or enter into agreements executed pursuant to said Joint Use Agreement, all the above being performed as an instrumentality of the government of Guam.

(e) To impose, prescribe, revise and collect fees, rates rentals, landing fees and charges for the use and services of, and the facilities and commodities furnished by the airports operated by the Authority and to charge and collect any fees permitted by the Joint Use Agreement, and to pay charges and costs imposed by said Agreement upon Guam.

(f) To acquire from the United States, under any appropriate federal statute, lands made available for airport purposes to Guam and to comply with the conditions established by the United States as necessary for the acquisition of such lands.

(g) To apply for, receive and use, all according to the terms thereof, grants-in-aid, or grants in kind from the United States for use by the Authority for airport purposes.

(h) To make and enter into contracts, leases, concession agreements and permits and to execute all instruments necessary or convenient in the exercise of its powers, including without limitation the purchase of liability and casualty insurance for airport purposes, adopt a seal, and sue or be sued in its own corporate name.

(i) To, at any time and from time to time, issue general or special revenue bonds pursuant to Chapter II of this Title.

(j) To enter into leases with the government of Guam or with the United States, provided that no such lease shall exceed forty (40) years in duration.

(k) To employ agents and retain or contract for the services of, qualified consultants, specialists, or experts, as individuals or as organizations, to advise and assist the Authority and its employees, all of which may be accomplished without regard to the portion of the Personnel Laws relative to compensation.

(l) To adopt such rules and regulations, pursuant to the Administrative Adjudication Act, as may be necessary for the exercise of powers and performance of the duties conferred or imposed upon the Authority or the Board.

(m) To do any and all other things necessary to the full and convenient exercise of the above powers.

Nothing contained in this Section, or by implication in this Title shall be construed to be in any way in derogation or limitation of powers conferred upon or existing in the Authority or in the Board by virtue of the Organic Act, the laws of Guam or of this Code.

Section 62005. (a) All powers vested in the Authority, except as provided herein, shall be exercised by the Board, which shall consist of five (5) members, called Directors, who shall be nominated and appointed by the Governor by and with the advice and consent of the Legislature. (No more than one Director may be an officer or employee of the Government of Guam.) The three Directors first appointed shall classify themselves by lot so that their terms shall expire respectively on December 31, 1976, December 31, 1977 and December 31, 1978, and until their successors are appointed and qualified. Their successors shall each be appointed for a full term of three years from the expiration of the term for which his predecessor was appointed, and until his successor is appointed and qualified. All vacancies occurring in the office of Director shall be filled by the Governor in the same manner as full-term appointments, but only for the unexpired term of the Director whose vacancy is being filled.

(b) Three Directors shall constitute a quorum of the Board for the transaction of business. The Board may adopt rules and regulations governing the conduct of its affairs. It shall elect a Chairman and a Vice-Chairman from among its members. It shall appoint a Secretary who shall not be a member of the Board and who shall maintain all records and minutes of the Board.

(c) Each Director shall receive the sum of Fifty Dollars (\$50.00) for his attendance at any meeting of the Board, but such compensation shall not apply to more than two meetings in any one calendar month. No Director shall receive any other compensation, but shall be reimbursed for actual travel, subsistence and out-of-pocket expenses incurred in the discharge of his responsibilities, including authorized attendance at meetings held away from Guam.

Section 62006. (a) The Board shall appoint an Executive Manager, who shall be its chief executive officer. The Executive Manager shall serve at the pleasure of the Board, which shall fix his compensation. The Executive Manager shall have full charge and control of the operations and maintenance of the airports controlled by the Authority, and of the construction of any airports, facilities, runways, taxiways and other necessary works controlled by, or required to be constructed or repaired by the Authority.

(b) The powers of the Executive Manager include:

(1) To see that all rules and regulations of the Authority are enforced.

(2) To attend, unless excused by the Board, all meetings of the Board and to submit reports on the affairs of the Authority as required by the Board.

(3) To keep the Board advised on the needs of the Authority and to approve demands for payment of obligations within the purposes and amounts authorize by the Board.

(4) To prepare or cause to be prepared all plans and specifications for the construction and repair of works and facilities operated by the Authority.

(5) To devote his entire time to the business of the Authority, to select and appoint the employees of the Authority, except as otherwise provided in this Title, and to plan, organize, coordinate and control the services of such employees in the exercise of the powers of the Authority under the general direction of the Board.

(6) To cause to be published within 120 days from the end of each fiscal year a financial statement showing the results of operations for the preceding fiscal year and the financial status of the Authority on the last day thereof. The publication shall be made in the manner provided by the Board.

(7) To perform such other and additional duties as the Board may require.

Section 62007. (a) The Board may also appoint a treasurer, a comptroller, and an attorney, all of whom shall serve at the pleasure of the Board. Their duties and compensation shall be fixed by the Board. The Board may appoint one assistant to any such office. Any of the said offices may be consolidated into one person.

(b) The Treasurer shall have custody of all monies of the Authority, and shall pay out such money only in accordance with the directions of the Board or as provided by Chapter II of this Title. The Board shall, however, appoint the Director of Administration or any agent designated by him as its trustee for the payment of bonds issued by it and for any related purposes as the Board may provide.

(c) The Attorney, who must have been admitted to the practice of law in Guam, shall advise the Board and the Executive Director on all legal matters to which the Authority is a party or in which the Authority is legally interested, and may represent the Authority in connection with legal matters before the Legislature, boards and other agencies of the Territory or of the United States. The attorney for the Authority shall represent the Authority in litigation concerning the affairs of the Authority.

Section 62008. As an instrumentality of the government of Guam, the Authority and all property acquired by or for it and all revenues and income therefrom are exempt from taxation by the government of Guam or by any political subdivision or public corporation thereof and from all taxes imposed under the authority of the Legislature, or with respect to which the Legislature is authorized to grant exemption.

Section 62009. (a) The purchase of all supplies and materials, and the construction of all works, when the expenditure exceeds Ten Thousand Dollars (\$10,000.00), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published in a newspaper of general circulation on Guam at least ten (10) days before bids are received. The Board may reject any and all bids and readvertise at its discretion.

(b) If, after rejecting bids for materials and supplies, the Board determines that, in its opinion, the materials and supplies may be purchased at a lower price in the open market, the Board may authorize such purchases without further observance of the provisions requiring contracts, bids or notices. The Authority, as an instrumentality of the government of Guam, may utilize the services of the federal government purchasing agencies whenever practicable.

(c) In case of any major public calamity, or whenever it is in the interest of aviation safety or necessary to keep the airports operated by the Authority open to traffic, the Board may determine that the public interest and necessity demand the immediate expenditure of funds to keep the airport facilities open to traffic or in a safe condition, and thereupon, authorize the expenditure of such sums as may be needed without the observance of the provisions requiring contracts, bids or notices. The Board may issue continuing authorizations for the expenditure of funds as described in this subsection, placing therein the conditions which will give rise to such special expenditures.

(d) The provisions of this Section shall not apply to the procurement of professional or technical services.

(e) No Director or employee of the Authority shall have any financial interest, direct or indirect, in any contract awarded by the Board. This provision shall not apply to contracts awarded to corporations in which such person owns less than five per cent (5%) of the entire capital stock.

Section 62010. (a) The Board shall adopt and maintain a system of accounting which is in accordance with generally accepted accounting principles applicable to airports.

(b) The Board shall employ a firm of independent certified public accountants who shall examine and report to the Board, at least annually, upon the status of the financial records and accounts maintained by the Authority. Copies of any such reports shall be furnished to the Governor and to the Legislature.

(c) The Board shall report to the Governor and to the Legislature concerning the administration of the affairs of the Authority. It shall present an annual report within one hundred twenty (120) days after the end of each fiscal year and, if requested by the Governor or the Legislature, shall present special reports within thirty (30) days after the end of each intervening quarter. The financial information presented in such reports shall be in accordance with the system of accounts adopted by the Board.

(d) There is established a fund to be known as the 'Guam Airport Authority Fund' which the Authority shall maintain separate and apart from other funds of the government of Guam, and independent records and accounts shall be maintained in connection therewith.

(e) All monies received by the Authority from whatever source derived shall be deposited in said Fund, or in such funds as may be established pursuant to Chapter II of this Title, in eligible banks as defined in Section 6311 of this Code.

(f) All expenditures, except as otherwise provided by law, shall be made from said Guam Airport Authority Fund.

Section 62011. (a) The Board, pursuant to Section 4004 of this Code, shall establish rules and regulations governing the selection, promotion, performance evaluation, demotion, suspension, dismissal and other disciplinary action for employees of the Authority.

(b) The Executive Manager, the treasurer, comptroller and attorney of the Authority are not classified employees. No person employed by the Authority on a limited term contract shall be a classified employee. All other employees of the Authority are classified employees.

(c) Each employee of the Authority shall be eligible to become a member of the Government of Guam Retirement Fund pursuant to Section 4204(d) of this Code.

(d) Each employee of the Authority shall be eligible to participate in any government of Guam health and life insurance plan.

(e) Each employee of the Authority shall accumulate leave time in accordance with the provisions of the government of Guam Personnel Rules and Regulations.

(f) The employer's contribution to the Government of Guam Retirement Fund that is assessed by the Fund's board of trustees for the benefit of Authority employees who are members of the Fund shall be paid by the Authority.

(g) The employer's contribution to the Workman's Compensation Fund that is assessed by the Workman's Compensation Commission for the benefit of Authority employees shall be paid by the Authority.

Section 62012. (a) To the extent that any liability of the Government of Guam or of the Authority is covered by a policy or policies of insurance, the Government waives the limitation of liability found in Section 6500.13 of the Government Code, provided, that, the Government shall not be liable in damages for tort in any amount which exceeds the coverage of insurance and the limitation of liability contained in Section 6500.13 of the Government Code.

(b) All claims made against any policy of insurance purchased by the Authority shall be made in accordance with the procedures and time limitations set forth in Government Claims Act, except that all claims not in excess of the face amount of the policy shall be presented to the Executive Manager of the Authority, who shall present the same to the insurance carrier, carriers, or to their designated agents for processing.

(c) If a claim is in excess of the applicable insurance coverage, then the Executive Manager of the Authority shall also present a copy of the claim to the Attorney General, who shall then coordinate the claim as between the Government and the insurance carriers, and who shall represent the Government in the event of a dispute between the Government and the insurance carriers. In the event of said dispute, the Attorney for the Authority shall represent the interests of the Authority.

(d) Each policy of insurance written covering the Authority or its interest shall contain a clause waiving any defense of sovereign immunity which may be raised against the payment of the claim by the carrier.

(e) The Executive Manager shall publish, in a newspaper of general circulation in Guam, within ten (10) days after the effective date of any policy of insurance purchased, a statement indicating the existence of any such policy and a notice informing the public where claims may be filed.

Section 62013. Penalties. (a) Any person who violates any provision of this Chapter, or any valid rule or regulation promulgated under this Chapter, or any valid Executive Order issued with respect to the operations of the Authority, or who refuses or neglects to comply with any lawful order given by the Executive Manager or his delegate concerning the operation of the airports under the control of the Authority is punishable by a fine of not to exceed One Thousand Dollars (\$1,000.00), or by imprisonment not to exceed six months, or both.

(b) (1) Any person who violates any provision of this Chapter, or any rule, regulation or order issued thereunder, any Executive Order issued with respect to the operation of airports operated by the Authority, or any rule, regulation or order issued thereunder, or any term, condition, or limitation of any permit, certificate, or operating authority issued by the Authority shall be subject to a civil penalty of not to exceed One Thousand Dollars (\$1,000.00) for each violation. If such violation is a continuing one, each day such violation continues shall constitute a separate offense; provided, that this Subsection shall not apply to officers or employees of the United States or of Guam while the same are engaged in official duties.

(2) Any civil penalty may be compromised by the Executive Manager, with the written concurrence of the Board. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the Authority to the person(s) charged.

(3) In case an aircraft is involved in a violation and the violation is by the owner or person in command of the aircraft, the liability for such penalty shall devolve upon the person, corporation or other entity which has assumed responsibility for the aircraft while the same is at any airport operated by the Authority.

(4) Any person assessed a civil penalty may contest the same. If, for any reason, the person or entity assessed fails to pay upon demand of the Executive Manager, the civil penalty may be collected by the Authority through proceedings in the Superior Court of Guam against the person or entity, brought by the Attorney for the Authority.

(c) (1) The Board shall establish rules and regulations governing the assessment of civil penalties.

(2) Said Rules and Regulations shall provide for a reasonable time, not less than ten days, during which the person, corporation or other entity assessed may answer the assessment by denying liability, by offering a compromise to the Executive Manager, or by paying the assessment; and for due notice to the person, corporation or other entity assessed of the nature of the violation committed.

(3) Said Rules and regulations shall also provide notice that failure to pay the final civil penalty assessed by the time set in the rules and regulations may result in collection of said penalty through the Superior Court.

(d) Any penalty imposed by Subsection (a) of this Section shall be in addition to, and not in lieu of any civil penalty imposed by Subsection (b) of this Section; provided, that no civil penalty shall be assessed if a conviction under this Section has been obtained or a criminal proceeding is pending for the same violation.

CHAPTER II

Section 62100. As used in this Chapter, unless the context otherwise requires:

(a) 'Airports' means the Guam International Air Terminal together with all related facilities, located adjacent to the Naval Air Station (Brewer Field), Guam, owned and operated by the Guam Airport Authority, together with any other airports hereafter owned or operated for civil aviation purposes by the Authority, whether as a replacement for the existing Guam International Air Terminal, or otherwise, together with all related facilities, including all betterments, extensions or improvements thereon.

(b) 'Authority' means the Guam Airport Authority, or any successor to the rights, powers, functions, and duties, with respect to the management, administration and control of the Airports which are now vested in the Authority.

(c) 'Bond Resolution' means the resolution or resolutions authorizing the issuance of the bonds, executed and approved as provided in this Chapter.

(d) 'Bondholder' means a holder or registered owner of any bonds.

(e) 'Bond Redemption Fund' means the Guam Airport Authority Bond Redemption Fund created by this Chapter, including any accounts which are created in that fund after the effective date of this Chapter.

(f) 'Bonds' means the Guam Airport Authority Revenue Bonds authorized to be issued by this Chapter.

(g) 'Construction Fund' means the Guam Airport Authority Construction Fund created by this Chapter.

(h) 'Revenue' means all moneys or receipts, howsoever derived, received or collected from the rates, rentals, fees, and charges prescribed for the use and services of, and the facilities and commodities furnished by, the Airports, including without limitation all money received for the imposition of any fee or impost for any use, benefit or privilege exercised at the Airports by users, tenants, licensees or concessionaires thereof.

(i) 'Revenue Fund' means the Guam Airport Authority Revenue Fund created by this Chapter.

Section 62101. It is declared to be the policy of Guam that the Authority, in acquiring, constructing, reconstructing, purchasing, bettering, extending or improving the Airports pursuant to this Title, shall manage and operate the Airports in the most efficient manner consistent with the protection of the bondholders.

Section 62102. In addition to the powers that it may otherwise have, the Authority shall have power under this Chapter to:

(a) Construct, acquire by gift, purchase, the right of eminent domain, or agreement with the United States or private parties, reconstruct, improve, better, or extend the Airports, including without limitation facilities for the landing, parking, loading, storing, repairing servicing, safety and utility of aircraft and terminals and terminal support facilities for passengers and freight, and including safety equipment and devices found by the Authority to be necessary or desirable, and to acquire by gift, purchase, the exercise of the right of eminent domain, or by agreement with the United States, lands or rights in land in connection therewith;

(b) Operate and maintain the Airports and furnish the services, facilities, and commodities thereof for the use of public and private users thereof;

(c) Issue special or general revenue bonds to finance in whole or in part the cost of acquisition purchase, construction, reconstruction, improvement, betterment, or extension of the Airports;

(d) Impose, prescribe and collect rates, rentals, fees and charges for the use and services of, and the facilities and commodities furnished by the Airports;

(e) Pledge for the punctual payment of the bonds and interest thereon all or part of the revenues of the Airports (including improvements, betterments, or extensions thereto thereafter constructed or acquired), which shall be sufficient to pay the bonds and interest as they shall become due and to create and maintain reasonable reserves to pay the principal and interest thereof.

The Authority, in determining the foregoing cost, may include all costs and estimated costs of the issuance and sale of the bonds, all engineering, inspection, fiscal and legal expenses, and interests which it is estimated will accrue during the construction period and for six months thereafter on the bonds.

Section 62103. For the purposes of providing money to be used for the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of the Airports, the issuance and sale of the bonds special and general, as hereinafter provided, is hereby authorized. The principal of and interest on the bonds shall be paid out of and secured by the gross revenues derived from the ownership, lease, use and operation of the Airports and of all the facilities thereof as to the general revenue bonds, and from the revenues specified in the bond resolution as to the special revenue bonds.

Section 62104. (a) There is created a special fund of the government of Guam known as the 'Guam Airport Authority Construction Fund', into which shall be paid the proceeds of the sale of the general revenue bonds (except any accrued interest received, which shall be paid into the Bond Redemption Fund established by Section 62106). The money in the Construction Fund shall be used to pay the costs of acquiring, constructing, reconstructing, purchasing, bettering, extending or improving the Airports, and all costs incidental thereto, including costs of the authorization, issuance and sale of the bonds. To the extent provided in the Bond Resolution, money in the Construction Fund may also be used for the payment of interest on the bonds during the period of actual construction, and for such further period, not exceeding six months after the period of construction, as may be provided in the Bond Resolution. Money in the Construction Fund may also be transferred to the Bond Redemption Fund, to the extent provided in the Bond Resolution, to establish a reserve for the payment of the principal of and interest on the bonds.

(b) The Bond Resolution may provide authorization for the investment of money in the Construction Fund. The interest earned upon or any profits derived from the sale of this investment shall be deposited in and become a part of the Construction Fund.

Section 62105. (a) There is created hereby a special fund of the government of Guam called the 'Guam Airport Authority Revenue Fund', which shall be wholly segregated and set apart from all other funds of the government. The Revenue Fund is and shall be a trust fund for the uses and purposes provided in this Chapter, and there shall be paid into the Revenue Fund all revenues, fees, charges, rentals and proceeds from any Special Revenue Bonds, all revenue derived from the ownership, lease, use and operation of the Airports, facilities and improvements thereof and facilities and improvements used in connection therewith by the Authority. The money in the Revenue Fund shall be used only for the purposes of paying or securing the payment of the principal of and interest on the bonds, the purpose of paying the normal and necessary costs of maintaining and operating the Airports and all of the improvements and facilities thereof, the purpose of paying the costs of renewals, replacements and extraordinary repairs to the Airports and all of the improvements and facilities thereof, the purpose of redeeming before their fixed maturities any and all bonds, the purpose of providing funds to acquire, construct and install necessary additions and improvements to and extensions of an facilities for the Airports, and the purpose of providing funds to pay any and all other costs relating to the ownership, use and operation of the Airports.

(b) The Bond Resolution may provide authorization for the investment of money in the Revenue Fund. The interest earned upon or any profits derived from the sale of any such investment shall be deposited in and become a part of the Revenue Fund.

Section 62106. There is created hereby a special fund of the government of Guam, to be known as the 'Guam Airport Authority Revenue Bond Redemption Fund', which is a trust fund for paying and securing the payment of the principal of and interest on and redemption premiums, if any, on the general revenue bonds and which shall be at all times wholly segregated and set apart from all other funds of the government of Guam. As may be provided in the bond resolution, there shall be set aside and paid into the Bond Redemption Fund any part or parts of, or all of, a fixed proportion of, or a fixed amount of the money in the Revenue Fund sufficient to pay the principal of and interest and redemption premiums, if any, on the general revenue bonds as such payments become due and, if so provided in the bond resolution, sufficient also to maintain reserves for this purpose. The Bond Redemption Fund shall be drawn upon for the purposes of paying the principal of and interest and redemption premiums, if any, on the bonds.

Section 62107. The issuance of the general revenue bonds shall be authorized by a bond resolution adopted by the Authority, which shall take effect upon its approval by the Governor and the Legislature. The bond resolution shall provide that the general revenue bonds shall be in such denominations and shall bear interest at such rate or rates, not in excess of nine per cent (9%) per annum, payable semi-annually, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding thirty years from their respective dates, may be payable in such medium of payment, at such places or place, may carry such registration privileges, may be subject to such terms of redemption with such premiums as may be fixed (but no general revenue bond may be subject to redemption prior to its fixed maturity date unless such right of redemption is expressly set forth on the face of such general revenue bond), may be executed in such manner, may contain such terms, covenants and conditions, and may in such form, either coupon or registered, as the resolution or subsequent resolutions may provide. The general revenue bonds shall be sold by a resolution adopted by the Authority, which shall take effect upon its approval by the Governor, at public sale after notice of the sale is published once at least five days prior to the sale in a newspaper circulating in Guam and in a financial newspaper published in any of the cities of New York, Chicago, or San Francisco. The bonds shall be sold for not less than ninety-five percent of the principal amount thereof.

Section 62108. Any resolution authorizing the issuance of general revenue bonds under this Chapter may contain covenants as to:

- (a) The purpose or purposes to which the proceeds of sale of the bonds shall be applied and the use and disposition thereof;
- (b) The use and disposition of the revenues of the Airports, including the creation and maintenance of reserves;
- (c) The issuance of additional general revenue bonds payable from the revenues of the Airports;
- (d) The operating maintenance and repair of the Airports;
- (e) The insurance to be carried on the Airports and the use and disposition of insurance moneys; and
- (f) Books of account and the inspection and audit thereof.

The provisions of this Chapter and any general revenue bond certificate shall be a contract with the bondholders; and the duties of the Authority and the Director of Administration under this Chapter and any bond resolution shall be enforceable by any bondholder, by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

Section 62109. The issuance of special revenue bonds shall be authorized by a resolution of the Authority, approved by the Governor. The resolution shall provide that the special revenue bonds shall be in such denominations and shall bear interest at such rate or rates, not in excess of nine per cent (9%) per annum, payable according to such terms as the resolution shall specify, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding fifteen years from their respective dates, may be payable in such medium of payment, at such place or places, may carry such registration privileges, may be executed in such manner, may contain such terms, covenants and conditions, and may be in such form as the resolution or subsequent resolutions may provide. The special revenue bonds may be sold in such manner as the Authority may direct, and for not less than their face value.

Section 62110. Any resolution authorizing the issuance of special revenue bonds under this Chapter may contain covenants and conditions to which these bonds are subject as to:

- (a) The purpose or purposes to which the proceeds of sale of these bonds shall be applied and the use and disposition thereof;

(b) The revenues, from a specified source less than the gross revenues of the Authority, by which these bonds are to be secured;

(c) Books of account and the inspection and audit thereof, both of the Authority and of the purchaser of these bonds; and

(d) The method by which these bonds are to be repaid.

Section 62111. The bonds bearing the signature of officers in office on the date of signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all the person whose signatures appear thereon shall have ceased to be officers of the Authority. The validity of the bonds shall not be dependent upon nor affected by the validity or regularity of any proceedings relating to the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of the Airports for which the bonds are issued. The bond resolution authorizing the bonds may provide that the bonds shall contain a recital that they are issued pursuant to this Title, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 62112. All general revenue bonds shall be equally and ratably without priority by reason of number, date of bonds, of sale, or execution, or of delivery, by a lien and charge on the revenue pledged to the payment thereof, in accordance with this Chapter and the bond resolution authorizing the issuance of the bonds. Any additional general revenue bonds which are payable out of the revenues of the Airports may be issued on a parity with any general revenue bonds previously issued upon compliance with any conditions which may be prescribed in the bond resolution.

Section 62113. All Bonds issued under this Chapter shall be payable solely from and secured solely by the revenues pledged to the payment thereof, and shall not constitute a general obligation of the government of Guam or a charge upon the General Fund of Guam, nor shall the full faith and credit of the government of Guam be pledged to the payment of the principal and interest thereof. Each bond issued under this Chapter shall recite in substance that the issue of which such bond is a part and the interest thereof are payable solely from and secured solely by the revenues pledged to the payment thereof, and that the bond is not a general obligation of the government of Guam and the full faith and credit of the government of Guam are not pledged to the payment of such principal and interest.

Section 62114. The Authority shall impose, prescribe and collect rates, rentals, fees or charges for the use and services of and the facilities and commodities furnished by the Airports, including landing fees as permitted, and shall revise such rates, rentals, fees, charges and landing fees from time to time whenever necessary to keep the Airports on a self-sustaining basis. The rates, rentals, fees, charges and landing fees imposed and prescribed shall produce revenues which will be at least sufficient:

(a) To make the required payments of the principal of and interest on all bonds issued for the Airports,

(b) To pay the cost of operation, maintenance and repair of the Airports, including reserves therefor;

(c) To carry out the covenants of the bond resolution or resolutions authorizing the issuance of the bond; and

(d) To repay without interest to the government of Guam for advances hereafter made for or on account of the Airports, including the allocable portions of principal and interest on rehabilitation loans made for or on account of the Airports, as disclosed by historic annual financial reports of relevant operations.

Section 62115. Bonds issued pursuant to this Chapter shall be executed by the Chairman of the Board of the Authority and sealed with the seal of the Authority or in lieu thereof shall bear a lithographed or engraved facsimile of the signature of the Chairman or of such seal. Further, they shall be countersigned by the Secretary of the Authority, or in lieu thereof, shall bear a lithographed or engraved facsimile of the signature of the Secretary. The coupons pertaining to the bonds shall be executed with the lithographed or engraved facsimile signatures of the Chairman of the Board and Secretary of the Authority.

Section 62116. The Director of Administration or any fiscal agent designated by him shall act as trustee for the Authority and the holders of general revenue bonds issued hereunder if such provision is specifically contained within the resolution authorizing such bonds, and the bond resolution, or resolution, may authorize the trustee to act on behalf of the bondholders or any stated percentage thereof, and to exercise and prosecute on behalf of the bondholders such rights and remedies as may be available to the bondholders. The Director of Administration shall cause to be established suitable accounts for the deposit of all revenues, and for the payment of the bonds and the interest thereon and for all other payments provided or required by this Chapter.

Section 62117. The bonds and the coupons attached to them are negotiable instruments.

Section 62118. A bond resolution, or resolution, may provide that, pending the actual issuance or delivery of definitive bonds, the Authority may issue temporary or interim bonds, to be exchanged for definitive bonds, when ready for delivery.

Section 62119. A bond resolution, or resolution, may provide for the replacement of lost, destroyed or mutilated bonds or coupons.

Section 62120. All bonds issued pursuant to this Chapter and the interest or income derived therefrom are exempt from taxation in accordance with the provisions of the last sentence of Section 11 of the Organic Act of Guam.

Section 62121. Notwithstanding any other provisions of this Chapter, all general revenue bonds are legal investments for all trust funds and for the funds of all banks, both commercial and savings, and may be deposited as security for the performance of any act whenever any evidence of indebtedness of the government of Guam may be so deposited, and may also be used as security for the deposit of public moneys in banks in the Territory of Guam.

Section 62122. The government of Guam, not the Authority, shall continue to make all payments for principal of an interest due on the rehabilitation loans applicable to the Airports, and all payments representing costs for police, fire protection and security services applicable to the Airports.

Section 62123. The Board may at any time, or from time to time, by resolution adopted by a majority of all the members of the Board and approved by the Governor, incur indebtedness for any lawful purpose for any period not exceeding five years evidenced by a contract with any person or by one or more promissory notes executed as provided in this Chapter and delivered to any person. Any such indebtedness shall be incurred subject and subordinate to any contractual obligations of the Board to the holders of any bonds and the principal thereof and interest thereon may be repaid either from revenue or, if incurred for a purpose for which bonds may be issued, from revenue or from the proceeds of sale of bonds.

Section 62124. The powers conferred by this Chapter shall be in addition and supplemental to the powers conferred by any other law. The Airports may be acquired, purchased, constructed, reconstructed, improved, bettered and extended and bonds may be issued under this Chapter for this purpose, notwithstanding that any other law may provide for the acquisition, purchase, construction, reconstruction, improvement, betterment and extension of the Airports, and without regard to the requirements, restrictions, limitations, or other provisions contained in any other law. This Chapter shall be liberally construed in order to carry out the purposes for which it was enacted, and insofar as the provisions of this Chapter are in with the provisions of any other laws, the provisions of this Chapter shall be controlling, and all existing laws in conflict with any provisions of this Chapter are superceded insofar as necessary to accomplish the purposes of and carry out the provisions of this Chapter."

Section 3. The purpose of this Act is to provide an orderly transition of the Guam International Air Terminal operations from the Director of Commerce to the Authority.

Section 4. Within forty-five (45) days after the effective date of this Act the Governor shall appoint and submit to the Legislature the names of the Board of Directors.

Section 5. Within two weeks after the confirmation of the Board of Directors, the Director of Commerce shall transfer to the Authority:

(a) All items of property which the Department owns or controls, including construction work in progress, which are used exclusively for the Guam International Air Terminal or operations to be assumed by the Authority and all materials and supplies used and useful exclusively in connection with said purposes;

(b) All items of property and materials and supplies used by the Department for airport purposes in common with other operations of the Department of Commerce which the Department and Authority agree to transfer; and

(c) All working capital, cash, accounts payable and receivable, deposits, advances, payable and receivable, all books, records and documents, and all other rights, obligations, assets, liabilities, agreements, contracts, leases, concessions and all other rights, obligations and privileges pertaining to the operation of the Guam International Air Terminal and other matters and concerns of the Department of Commerce which are to be assumed by the Authority, including the assets in the Guam International Air Terminal Fund.

Section 6. All personnel of the Department of Commerce assigned exclusively to the Guam International Air Terminal or assigned exclusively to projects within the said Department which will be assumed by the Authority shall be transferred to the Authority upon the date of general transfer specified in Section 5 and shall be retained by the Authority for a period not more than six months thereafter. After the expiration of said period, the Board or Manager, as the case may be, may, subject to the Personnel Rules and Regulations then adopted, appoint said personnel to permanent positions within the Authority, or appoint others to said positions as may be in the best interest of the Authority.

Section 7. The Board, as soon as is practical after it is organized, shall appoint officers set forth in Sections 62006 and 62007. Persons serving in the said capacities under the Department of Commerce shall continue in such positions under the Authority until such time as the Board has made permanent appointments thereto.

Section 8. All benefits, such as sick and annual leaves, retirement benefits, medical and life insurance benefits provided by the Government, shall be continued and carried over to the Authority on behalf of all employees and officers so transferred from the Department of Commerce, and the Authority shall pay the employer's share of said benefits.

Section 9. After the effective date of this Act, all monies formerly received by the Guam International Air Terminal Fund, and paid therefrom, shall be received by and paid from the Guam Airport Authority Fund.

Section 10. The appropriations, authorizations and conditions contained in Sections 15(a) as amended, 15(b), 15(c), 15(e), 15(f) and 15(g) of Public Law 12-150 are continued in force and shall apply to the Authority with the same effect as said Sections formerly applied to the Guam International Air Terminal, the Director of Commerce and the Governor.

Section 11. The effective date of this Act shall be thirty days after approval by the Governor. If necessary to insure a smooth transition, the Governor may extend the period fixed by Section 5, enacted herein, by no more than 30 days.

Approved September 26, 1975.