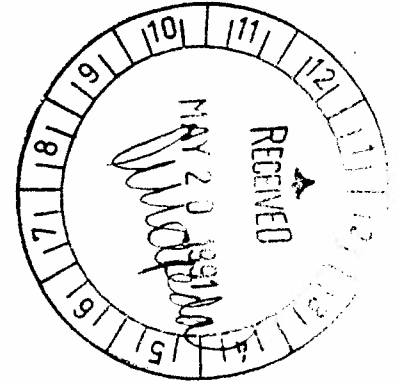




Territory of Guam
Terrision Guam

OFFICE OF THE GOVERNOR
UFISINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

REFER TO **MAY 17 1991**
LEGISLATIVE SECRETARY



The Honorable Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
155 Hessler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 276, which has been signed into law this
date as Public Law No. 21-30.

Sincerely,

FRANK F. BLAS
Governor of Guam
Acting

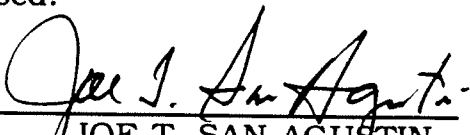
Attachment

210278

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

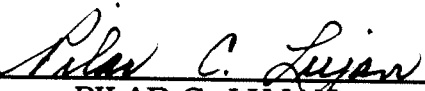
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 276 (COR), "AN ACT TO ADD §§24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY FIVE PERCENT OF THE NORMAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS," was on the 2nd day of May, 1991, duly and regularly passed.



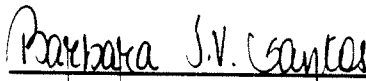
JOE T. SAN AGUSTIN
Speaker

Attested:



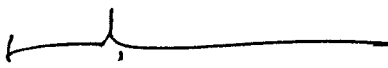
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 1th day of May, 1991, at 2:00 o'clock 2 .m.



Barbara S.V. Santos
Assistant Staff Officer
Governor's Office

APPROVED:



FRANK F. BLAS
Governor of Guam
Acting
Date: MAY 17 1991

Public Law No. 21-30

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 276 (COR)
As substituted by the
Committee on Rules

Introduced by:

J. T. San Agustin
C. T. C. Gutierrez
J. P. Aguon
H. D. Dierking
M. C. Ruth
M. D. A. Manibusan
D. L. G. Shimizu
E. P. Arriola
A. C. Blaz
M. J. Reidy
E. M. Espaldon
J. G. Bamba
M. Z. Bordallo
D. F. Brooks
E. R. Duenas
P. C. Lujan
G. Mailloux
D. Parkinson
F. R. Santos
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO ADD §§24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY FIVE PERCENT OF THE NORMAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

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

2 Section 1. A new §24109 is added to Title 11, Guam Code Annotated, to
3 read:

4 "§24109. **Reduced tax rates for senior citizens.** A "senior
5 citizen", who is defined for purposes of this Title as a person sixty
6 (60) years of age or older, who is the head of a household whose
7 income is not more than eighty percent (80%) of the median

1 income for Guam established by the U.S. Department of Housing
2 and Urban Development, who has owned his or her home for five
3 (5) consecutive years or more and who currently resides in it, shall
4 pay a real property tax on such personal residential property at
5 seventy-five percent (75%) of the yearly real estate tax levied on
6 such property not owned by senior citizens."

7 Section 2. A new §24110 is added to Title 11, Guam Code Annotated, to
8 read:

9 "§24110. **Property valuations for senior citizens frozen at**
10 **their current levels.** A senior citizen whose residential property
11 qualifies for a lower real estate tax under the provisions of §24109
12 of this Chapter is entitled to have the valuation of his or her
13 residential property fixed at the amount assessed in its first year of
14 eligibility and remain at such valuation until such senior citizen dies
15 or no longer owns and resides in such property."

Twenty-First Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407/8/9
FAX: (671) 477-3161



Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Tourism & Transportation

CARL T. C. GUTIERREZ
Senator

April 29, 1991

Honorable Speaker Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
155 Hesler St.
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Ways & Means wishes to report out its findings on **BILL NO. 276 "AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS"**, to the full Legislature with the recommendation to do Pass as Introduced.

The Committee Voting Record is as follows:

TO PASS:	<u>14</u>
NOT TO PASS:	<u>0</u>
ABSTENTIONS:	<u>0</u>
INACTIVE FILE:	<u>0</u>

Copies of the Committee Report and all pertinent documents are attached for your information.

Sincerely,

CARL T. C. GUTIERREZ
Chairman, Committee on
Ways & Means

Twenty-First Guam Legislature
 Committee on Ways & Means
VOTING SHEET

BILL NO.

276

AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>C. Gutierrez</i> Senator Carl T. C. GUTIERREZ Chairman	✓			
<i>H. Dierking</i> Senator Herminia D. DIERKING Vice-Chairman	✓			
<i>J. P. Aguon</i> Senator John P. AGUON Member	✓			
<i>E. Arriola</i> Senator Elizabeth P. ARRIOLA Member	✓			
<i>George Bamba</i> Senator George BAMB Member	✓			
<i>Anthony Blaz</i> Senator Anthony BLAZ Member	✓			
<i>Doris F. Brooks</i> Senator Doris F. BROOKS Member	✓			
<i>Ernesto M. Espaldon</i> Senator Ernesto M. ESPALDON Member	✓			
<i>Marilyn Manibusan</i> Senator Marilyn MANIBUSAN Member	✓ 4/29/91			
<i>Don Parkinson</i> Senator Don PARKINSON Member	✓			
<i>Michael J. Reidy</i> Senator Michael J. REIDY Member	✓			
<i>Martha C. Ruth</i> Senator Martha C. RUTH Member	✓ 4/29/91			
<i>David Shimizu</i> Senator David SHIMIZU Member	✓			
<i>Speaker Joe T. San Agustin</i> Speaker Joe T. SAN AGUSTIN	✓			

**COMMITTEE ON WAYS AND MEANS
COMMITTEE REPORT ON**

BILL NO. 276

AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

The Committee on Ways and Means conducted a public hearing on Thursday, April 25, 1991 beginning at 8:30 a.m. in the Legislative Public Hearing Room to gather testimony on Bill No. 276. Senator Carl T.C. Gutierrez, Chairman of the Committee conducted the hearing, being joined by Senators Anthony C. Blaz, Michael J. Reidy, Doris F. Brooks, Elizabeth P. Arriola, Martha C. Ruth, and David L.G. Shimizu.

PURPOSE

The intent of this bill is to allow senior citizens a reduced tax on their residential property. The bill contains a definition of who is a senior citizen, consisting of a person sixty years or older who is the head of the household with an income not more than 80% of the median income for Guam established by the U.S. Department of Housing and Urban Development and who has owned their own home for five consecutive years and resides in it. The bill also calls for the value of the property to remain the same as the amount assessed in the first year that the individual is eligible to have the reduced tax rate for senior citizens. Basically, the bill provides that the senior citizen as defined in the law have a reduction in taxes on the senior citizen's home of 25%.

Written testimony in favor of the bill was submitted by Director Joaquin G. Blaz of the Department of Revenue and Taxation. Director Blaz also recommended that a senior citizen sixty years of age or older should be entitled to this reduction of taxes regardless of his income and that the citizen apply for the reduction in a procedure similar to that of applying for a homeowner's exemption.

Mr. Segundo C. Aguon, Director of SPIMA, Guam Association of Retired Persons, submitted written testimony in favor of Bill No. 276, however recommended that the median income be obtain from the

government of Guam Department of Commerce or Department of Revenue and Taxation instead of the U.S. Department of Housing and Urban Development.

Mr. John M. Phillips, President, National Association of Retired Federal Employees, testified in support of Bill No. 276 and submitted a written statement. Mr. Phillips did not feel that Bill 276 protects retirees from massive increases in appraisals due to a high priced development in their area.

Speaker Joe T. San Agustin submitted a written statement in favor of Bill 276, which was introduced by him. In his testimony he pointed out that the median income established by the U.S. Department of Housing and Urban Renewal is \$30,700 for Guam and that 80% of this is \$24,560, the income which would qualify a senior citizen for the tax reduction.

RECOMMENDATION

The Committee recommends that Bill No. 276 be reported out to the full Legislature with the recommendation to do pass as introduced.

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 276

Introduced by:

J.T. San Agustin
J.T. San Agustin
M. C. RUTH
M. C. RUTH
M. M. M. M.
M. M. M. M.
M. M. M. M.
M. M. M. M.
M. M. M. M.
M. M. M. M.
M. M. M. M.
M. M. M. M.

Wm

AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

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

Section 1. A new 24109 is added to title 11, Guam Code Annotated, to read:

"24109. Reduced tax rates for senior citizens. A "senior citizen", who is defined for purposes of this Title as a person sixty (60) years of age or older; who is the head of a household whose income is not more than eighty percent (80%) of the median income for Guam established by the U.S. Department of Housing and Urban Development; who has owned his or her home for five (5) consecutive years or more and who currently resides in it shall pay a real property tax on such personal residential property at seventy-five percent (75%) of the yearly real estate tax levied on such property not owned by senior citizens."

Section 2. A new 24110 is added to title 11, Guam Code Annotated, to read:

"24110. Property valuations for senior citizens frozen at their current levels. A senior citizen whose residential property qualifies for a lower real estate tax under the provisions of 24109 of this Chapter is entitled to have the valuation of his or her residential property fixed at the amount assessed in its first year of eligibility and remain at such valuation until such senior citizen dies or no longer owns and resides in such property."

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 276

Introduced by:


J.T. San Agustin

Wm

AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

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DEPARTMENT OF REVENUE AND TAXATION
REAL PROPERTY TAX DIVISION
TESTIMONY ON BILL NO. 276
APRIL 25, 1991

Mr. Chairman and Members of the Committee, my name is Joaquin G. Blaz and I am the Director of the Department of Revenue and Taxation.

Bill No. 276 is an act to add 24109 and 24119 to Title 11, Guam Code Annotated, to provide real property tax relief for senior citizens by reducing their tax rate to seventy-five percent (75%) of the normal real property rate and freezing their property valuations at current levels.

The Department of Revenue and Taxation supports Bill No. 276 and its intent to offer real property tax relief for senior citizens.

We recommend that a senior citizen apply for the reduction in property tax similar to the procedure for applying for a Homeowners Exemption. We believe that any senior citizen 60 years of age or older, and who owns and occupies a home, regardless of income, should be entitled to the tax relief as proposed in Bill No. 276.



Guam Association of Retired Persons

Servicio Para I Manamko (SPIMA) - Project



Retirement Bldg. Malte, Guam • P.O. Box 3057 Agana, GU 96910 • Tel: 477-9014, 472-6632, 472-2173

April 24, 1991

Honorable Carl T.C. Gutierrez
Chairperson, Committee on Ways and Means
Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Senator Gutierrez:

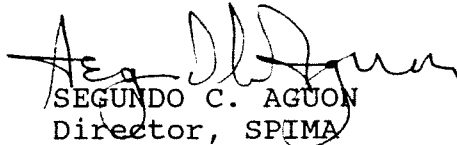
The Servicio Para I Man'amko (SPIMA) endorses any program that enhances the social and economic well being of our senior citizens, Bill No. 276, Twenty-First Guam Legislature is one of those programs.

Presently, we do not know the number of elderly that would be eligible, however I'm sure there will be some.

Since this affects only local legislation, we are recommending that the "medium income" be obtained from the Government of Guam, Department of Commerce or Department of Revenue and Taxation. Better yet, the Board of Equalization could be authorized to determine such income. We are sure that the logistics to make such determination could be easily obtained from the Income Tax Division of the Department of Revenue and Taxation.

We appreciate the invitation by the Committee on Ways and Means to express our concern. Dangkulu na si yu'os ma'ase.

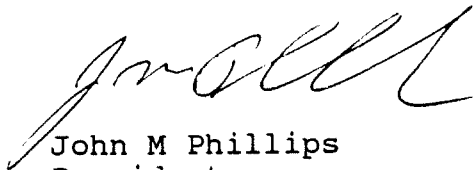
Sincerely yours,


SEGUNDO C. AGUON
Director, SPIMA

RETIREEES NEED:

1. A FREEZE ON THEIR APPRAISED VALUATION AT TIME OF RETIREMENT!
2. NO INCREASE IN THE REAL PROPERTY TAX RATES!
3. A REDUCTION IN THEIR REAL ESTATE TAXES FOR LOW INCOME RETIREEES!

These needs should only apply to HOMES not houses and definately not income producing property. Retirees want to be able to live out their days in their homes, the place they raised their families in, the place they have memories, the place they want to die in. On a limited income real estate taxation could easily wipe out these desires and force the retiree to move to a place that will cause the retiree to desire death as soon as possible because life is not worth living. I trust that this legislature will help the retirees of Guam live out their lives in their HOMES!



John M Phillips
President



JOE T. SAN AGUSTIN
SPEAKER

Office of the Speaker

TWENTY-FIRST GUAM LEGISLATURE

155 Hesler St.

Agana, Guam U.S.A. 96910

Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

*Mary Ann
OK
CS*

April 22, 1991

Senator Carl T.C. Gutierrez
Chairman
Committee on Ways & Means
Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Chairman,

At the outset, allow me to convey my thanks to your Committee for promptly scheduling a hearing on April 25, 1991, on Bill No. 276: "AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS." This letter shall serve as my testimony on Bill No. 276, which I introduced.

As indicated in the title, this legislation would provide tax relief for homeowners, age 60 and over. It is further provided that these homeowners must be heads of households whose income is not more than 80% of the median income for Guam established by the U.S. Department of Housing and Urban Renewal. Currently, the median is \$30,700 for Guam. Consequently, to qualify for the proscribed tax relief, only senior citizens with an annual income of not more than \$24,560 would be eligible. The bill contains an additional provision to ensure that this relief is directed at legitimate homeowners rather than landlords. Eligible senior citizens must not only own their home but also currently reside in it and have lived there for at least five years consecutively.

As always, our community is faced with the challenge of providing for a decent life for our manamko during their sunset years. For many of our elderly, this is difficult because they live on fixed incomes and have to cope with a rapidly rising cost of living. Of course, no cost on Guam is rising faster than housing. Such increases in property values are naturally reflected in the property tax billings of the elderly. In essence, through its tax policies, the government is contributing to the difficulties faced by the

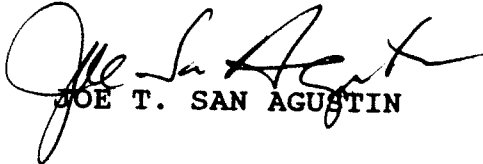
Senator Carl T.C. Gutierrez
April 22, 1991
Page 2

manamko in providing for basic necessities, such as housing. Such a policy would appear to contradict our social goals regarding the elderly as expressed in other measures that have received approval.

Bill No. 276 provides that the qualified elderly homeowners would be taxed at a rate equal to 75% of the normal real property tax rate. It further provides that the property valuation be frozen for as long as the senior citizen owns the home that is being taxed. Through these measures, we would not only relieve the immediate burden of the tax but also avoid any subsequent increases due to increases in property valuation. The bill's eligibility requirements would ensure that this relief would be received by those senior citizens who need it most, namely, homeowners of low and moderate incomes.

In May, this community will be celebrating Senior Citizens Month. During this annual event, we will be recognizing the valuable contributions of the manamko in our society. Many private and public organizations, including this Legislature, will be engaging in activities to recognize our senior citizens and to focus public attention on their needs. Aside from this recognition for our elderly, which is well deserved, I believe it would be more than appropriate if this body took this opportunity to engage in more tangible steps in expressing our concern for of the manamko. I earnestly feel this legislation may be one such step. I therefore ask that your Committee approve Bill No. 276 and report it out at the earliest possible date.

Sincerely,


JOE T. SAN AGUSTIN

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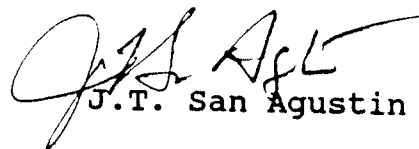
Introduced

APR 03 '91

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 276(cor)

Introduced by:


J.T. San Agustin

AN ACT TO ADD 24109 AND 24110 TO TITLE 11, GUAM CODE ANNOTATED, TO PROVIDE REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS BY REDUCING THEIR TAX RATE TO SEVENTY-FIVE PERCENT OF THE NORMAL REAL PROPERTY RATE AND FREEZING THEIR PROPERTY VALUATIONS AT CURRENT LEVELS.

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