

RECEIVED

OFFICE OF THE SPEAKER

DATE: 4/5/94

TIME: 10:00am

RECD BY: Perry



*Territory of Guam  
Territorio Guam*

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

22-110

REFERRED TO  
LEGISLATIVE SECRETARY

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

Dear Mr. Speaker:

Transmitted herewith is Bill No. 372 which I have signed into law this date as  
Public Law 22-110.

Sincerely yours,

JOSEPH F. ADA  
Governor of Guam

22-110

Attachment

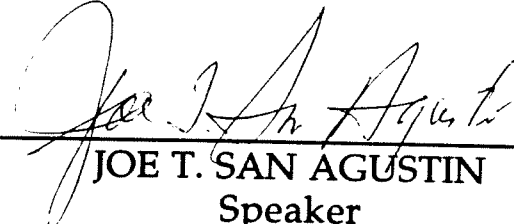


Commonwealth Now!

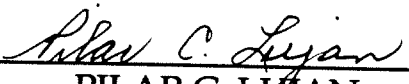
TWENTY-SECOND GUAM LEGISLATURE  
1994 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

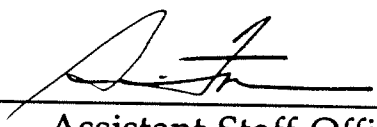
This is to certify that Substitute Bill No. 372 (LS), "AN ACT TO ESTABLISH THE DPW BUILDING & DESIGN FEE ACCOUNT FOR USE BY THE BUILDING OFFICIAL TO CONTRACT FOR PLAN REVIEWS AND BUILDING INSPECTIONS BY ADDING §66409 TO TITLE 21, GUAM CODE ANNOTATED," was on the 14th day of March, 1994, duly and regularly passed.

  
\_\_\_\_\_  
JOE T. SAN AGUSTIN  
Speaker

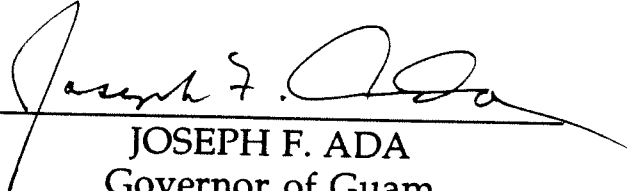
Attested:

  
\_\_\_\_\_  
PILAR C. LUJAN  
Senator and Legislative Secretary

-----  
This Act was received by the Governor this 21<sup>st</sup> day of March,  
1994, at 11:05 o'clock A.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
\_\_\_\_\_  
JOSEPH F. ADA  
Governor of Guam

Date: APR 1 1994

Public Law No. 22-110

TWENTY-SECOND GUAM LEGISLATURE  
1993 (FIRST) Regular Session

Bill No. 372 (LS)  
As substituted by the  
Committee on Rules

Introduced by:

D. Parkinson  
T. S. Nelson  
M. D. A. Manibusan  
V. C. Pangelinan  
T. C. Ada  
J. P. Aguon  
E. P. Arriola  
M. Z. Bordallo  
H. D. Dierking  
C. T. C. Gutierrez  
P. C. Lujan  
E. D. Reyes  
J. T. San Agustin  
F. E. Santos  
D. L. G. Shimizu  
J. G. Bamba  
A. C. Blaz  
D. F. Brooks  
F. P. Camacho  
T. V. C. Tanaka  
A. R. Unpingco

AN ACT TO ESTABLISH THE DPW BUILDING &  
DESIGN FEE ACCOUNT FOR USE BY THE BUILDING  
OFFICIAL TO CONTRACT FOR PLAN REVIEWS AND  
BUILDING INSPECTIONS BY ADDING §66409 TO  
TITLE 21, GUAM CODE ANNOTATED.

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

1       **Section 1.** §66409 is hereby added to Title 21, Guam Code Annotated, to  
2 read:

3               "§66409. (a) **Legislative findings and intent.** The Legislature  
4 finds that the Building Permits and Design Analysis Section of the  
5 Department of Public Works is currently backlogged with plan  
6 reviews and building inspections, which backlog causes developers  
7 many problems with their loans and building plans because of the  
8 time involved in drawing plans and getting the plans approved by  
9 the various agencies of the government of Guam. The backlog also  
10 causes contractors problems with long periods of no work until the  
11 plans are approved and permitted, and with long delays waiting for  
12 inspections during the construction phase. It is the intent of the  
13 Legislature that the government of Guam encourage more  
14 construction in all areas by eliminating such a backlog and such long  
15 waiting periods. In order to alleviate some of the backlog in required  
16 plan reviews and phase inspections by the Building Permits and  
17 Design Section, the Legislature finds it appropriate to allow the  
18 Section to contract for professional architects and engineers to  
19 conduct such plan reviews and inspections.

20               (b) **Outside architects and engineers.** Notwithstanding any  
21 other provision of law, the Building Permits and Design Analysis  
22 Section of the Department of Public Works, acting through the  
23 building official, is authorized to contract for plan reviews and  
24 building inspection services using licensed Guam architects and  
25 engineers.

26               (c) **Creation of special fund.** On the effective date of this  
27 section, a special fund, designated the "DPW Building & Design Fee

1 Account" shall be established separate and apart from other funds of  
2 the government of Guam, and separate records shall be kept  
3 therefor. One hundred percent (100%) of all fees collected for plan  
4 reviews and building inspections received after the effective date of  
5 this section shall be deposited in such account and shall be disbursed  
6 therefrom to pay for such reviews and inspections.

7 (d) **Commencement of contracted services.** To ensure that  
8 there is no impact on the General Fund for such plan reviews and  
9 building inspections, no funds may be used from the General Fund to  
10 pay therefor. Plan reviews and inspections may be contracted out  
11 when adequate funds have accumulated in the DPW Building &  
12 Design Fee Account to defray the costs of such contractual services.

13 (e) **List of approved architects and engineers.** To ensure a fair  
14 and equitable distribution of contracts among available architects  
15 and engineers, the building official shall establish a list of approved  
16 architects and engineers which shall be used on a rotating basis to  
17 solicit proposals for contracts to provide plan reviews and  
18 inspections. All architects and engineers on such list must be licensed  
19 on Guam.

20 (f) **Fees.** Fees charged for plan reviews and inspections that  
21 are contracted out shall be determined by soliciting proposals with  
22 the fees to be the lowest accepted by the architects and engineers on  
23 the approved list.

24 (g) **Quarterly reports.** The building official shall submit a  
25 quarterly report to the Speaker of the Legislature detailing the  
26 number of plan reviews and building inspections that have been  
27 conducted under this section."

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# TWENTY-SECOND GUAM LEGISLATURE

1994 (SECOND) Regular Session

Date: 3/14/94

## VOTING SHEET

(AS REVISED)

Bill No. 372

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George	✓			
BLAZ, Anthony C.	✓			
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.	✓			
CAMACHO, Felix P.	✓			
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente C.	✓			
PARKINSON, Don	✓			
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francis E.	✓			
SHIMIZU, David L. G.	✓			
TANAKA, Thomas V. C.	✓			
UNPINGCO, Antonio R.	✓			

TOTAL

21 \_\_\_\_\_



Committee on General Governmental Operations  
and  
Micronesian Affairs  
Twenty-Second Guam Legislature

Sen. Ted S. Nelson  
Chairman

August 25, 1993

Honorable Joe T. San Agustin  
Speaker  
21st Guam Legislature  
155 Hessler Street  
Agana, Guam 96910

Dear Mr. Speaker:

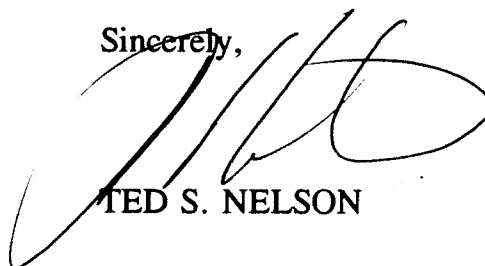
The Committee on General Governmental Operations and Micronesian Affairs, to which was referred **Bill No. 372 (An Act to establish the "DPW Building and Design Fee Account" for use by the Building Official to contract for plan reviews and building inspections by adding a Subsection (b) to Section 66408, Chapter 66, 21 GCA)** has had the same consideration and now wishes to report back the same with the recommendation **to do pass.**

The Committee votes are as follows:

To do pass	<u>8</u>
Not to pass	<u>0</u>
To place in inactive file	<u>0</u>
Abstain	<u>0</u>

A copy of the Committee Report and other pertinent documents are enclosed for your reference and information.

Sincerely,



TED S. NELSON

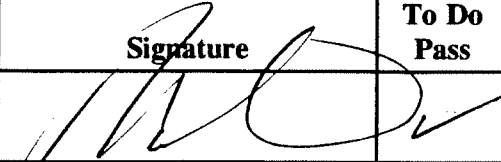







Enclosures

**COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS  
AND MICRONESIAN AFFAIRS**

**VOTE SHEET ON BILL NO. 372**

**AN ACT TO ESTABLISH THE "DPW BUILDING AND DESIGN FEE ACCOUNT" FOR USE BY THE BUILDING OFFICIAL TO CONTRACT FOR PLAN REVIEWS AND BUILDING INSPECTIONS BY ADDING A SUBSECTION (b) TO SECTION 66408, CHAPTER 66, 21 GCA.**

**RECOMMENDATION TO DO PASS**

Committee Members	Signature	To Do Pass	Not To Pass	Place in the Inactive File	Abstain
Senator Ted S. Nelson Chairman		✓			
Senator Edward D. Reyes Vice-Chairman		✓			
Speaker Joe T. San Agustin Ex-Officio Member		✓			
Senator Thomas C. Ada Member		✓			
Senator J. George Bamba Member		✓			
Senator Anthony C. Blaz Member					
Senator Herminia D. Dierking Member		✓			
Senator Carl T.C. Gutierrez Member					
Senator Marilyn D.A. Manibusan Member		✓ 8/25/93			
Senator Vicente C. Pangelinan Member		✓			
Senator Thomas V.C. Tanaka Member					



1  
2 TWENTY-SECOND GUAM LEGISLATURE  
3 1993 (FIRST) REGULAR SESSION  
4  
5

6 Bill No. 372  
7 Introduced By:

8 D. Parkinson  
9  
10  
11  
12  
13  
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15  
16  
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18  
19  
20  
21

*T.S. Adato*  
*M. Manibusan*

22 AN ACT TO ESTABLISH THE "DPW BUILDING & DESIGN FEE ACCOUNT"  
23 FOR USE BY THE BUILDING OFFICIAL TO CONTRACT FOR PLAN  
24 REVIEWS AND BUILDING INSPECTIONS, BY ADDING A SUBSECTION (b)  
25 TO SECTION 66408, CHAPTER 66, 21 GCA.  
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BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Subsection (b) is added to Section 66408,  
Chapter 66, 21 GCA and reads as follows:

"(b) Legislative Findings and Intent. The  
Legislature finds that the Building Permits and Design Analysis  
Section of the Department of Public Works is currently backlogged  
with plan reviews and building inspections. This backlog is  
causing owners problems with loans and financial eligibility,  
because of the time involved in drawing plans and getting the  
plans approved by the various sections of the Government. It is  
also causing contractors problems with long periods of no work  
until the plans are approved and permitted; and, again with long  
delays waiting for inspections during the construction phase. It  
is the intent of the Legislature that the Government encourage  
more construction in all areas, by eliminating such backlog and

1 long waiting periods. In order to alleviate some of the backlog  
2 in accomplishing required plan reviews and phase inspections by  
3 the Building Permits and Design Section, the Legislature finds it  
4 necessary to allow the Building Permits and Design Analysis  
5 Section to contract for professional Architects and Engineers to  
6 conduct plan reviews and phase inspections."  
7

8 **Section 2.** Subsection (c) is added to Section 66408,  
9 Chapter 66, 21 GCA and reads:

10 "(c) Notwithstanding any other provision of law, the  
11 Department of Public Works, Building Permits and Design Analysis  
12 Section is authorized to contract for services consisting of plan  
13 reviews and building inspections using Architects and Engineers  
14 from the private sector."  
15

16 **Section 3.** Subsection (d) is added to Section 66408.  
17 Chapter 66, 21 GCA and reads:

18 "(d) Currently, fees derived from the plan reviews and  
19 building inspections are deposited in the General Fund. On the  
20 effective date of this Act, a special fund designated as the "DPW  
21 Building & Design Fee Account" will be established and Sixty-five  
22 (65) per cent of all funds received after the effective date of  
23 this Act shall be used for review and inspection purposes."  
24

25 **Section 4.** Subsection (e) is added to Section 66408,  
26 Chapter 66, 21 GCA and reads:

1           "(e) To ensure that there is no impact on the General  
2 Fund for plan reviews and inspections, no funds will be  
3 appropriated from the General Fund initially. Contracted plan  
4 reviews and inspections will commence when adequate funds have  
5 accumulated in the DPW Building & Fee Account to defray the costs  
6 of these services".  
7  
8

9           **Section 5.** Subsection (f) is added to Section 66408,  
10 Chapter 66, 21 GCA and reads:  
11  
12

13           "(f) To ensure a fair and equitable distribution  
14 of contracts among available architects and engineers, The  
15 Building Permits and Design Analysis Section will establish a  
16 list of architects and engineers that will be used on a rotating  
17 basis, to solicit from, for plan reviews and inspections. All  
18 architects and engineers on this rotating list will be properly  
19 licensed to operate on Guam.  
20

21           **Section 6.** Subsection (g) is added to Section 66408,  
22 Chapter 66, 21 GCA and reads:  
23

24           "(g) Fees charged for plan reviews and inspections that  
25 are contracted out will be the same as those charged when the  
26 plan reviews and inspections are accomplished by Building Permits  
27 and Design Analysis Section personnel.  
28  
29  
30

**COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS  
AND MICRONESIAN AFFAIRS  
TWENTY-SECOND GUAM LEGISLATURE  
155 Hessler Street, Agana, Guam 96910**

**COMMITTEE REPORT**

**ON**

**BILL NO. 372**

**AN ACT TO ESTABLISH THE "DPW BUILDING AND DESIGN FEE ACCOUNT" FOR USE BY THE BUILDING OFFICIAL TO CONTRACT FOR PLAN REVIEWS AND BUILDING INSPECTIONS BY ADDING A SUBSECTION (b) TO SECTION 66408, CHAPTER 66, 21 GCA.**

**COMMITTEE MEMBERS:**

**Chairman: Ted S. Nelson  
Vice-Chairman: Edward D. Reyes  
Ex-Officio Member: Speaker Joe T. San Agustin**

**Thomas C. Ada  
Herminia D. Dierking  
Carl T.C. Gutierrez  
Vicente C. Pangelinan**

**J. George Bamba  
Anthony C. Blaz  
Marilyn D.A. Manibusan  
Thomas V.C. Tanaka**

## BILL NO. 372

The Committee on General Governmental Operations and Micronesian Affairs held a public hearing on **Bill No. 372** (*An Act to establish the "DPW Building and Design Fee Account" for use by the Building Official to contract for plan reviews and building inspections by adding a Subsection (b) to Section 66408, Chapter 66, 21 GCA*) on Tuesday, April 27, 1993, at 9:00 a.m. in the Public Hearing Room of the Guam Legislature Temporary Building in Agana.

Committee members present include: Senator Ted S. Nelson, Chairman; and Senators Vicente C. Pangelinan and Anthony Blaz.

### TESTIMONY

The following individuals presented oral testimony to the Committee on Bill No. 372: Mr. Jesus Q. Ninete, Sr., Mr. Eddie A. Borja, and Mr. Sabino Flores of the Department of Public Works Design & Analysis and Building Permits Section.

The three individuals listed above presented oral testimony in support of written testimony provided by Mr. Benigno M. Palomo, Director of the Department of Public Works. All supported the Bill indicating that its passage was vitally important to the continuing efforts of the Design and Analysis and Building Permits Section meeting the increasing demand for its services in a timely manner. All indicated that this demand placed on the Department by the general public was greatly back-logged and would continue to be because of the increase in construction of small projects such as single- and multi-family homes, duplexes and multiplex apartments. There was also an increase in small business complexes for office space.

During the question and answer session, it was brought out that at present there was about \$8 million in permit applications pending design review and permitting. Mr. Ninete and Mr. Borja both pointed out in their testimony

that the average review time was about four weeks. This time period although shorter for some applications could be as long as two months for bigger construction projects.

Ninete and Borja both expressed the desire of the Permits Section to reduce this time lag to about two weeks for most applications. They indicated that this review time was costly to both the contractors who were constructing the buildings and to the owners who needed their buildings as soon as possible. When asked how this Bill would help reduce the time requested for review and permitting, both Ninete and Borja indicated that the time could be reduced to as little as a few days in most cases, but the goal of two weeks was reasonable. They also emphasized that construction phase inspections were also suffering because of a shortage of inspectors and a large number of construction projects. When inspections were not accomplished in a timely manner, the contractors lost money because of not being able to continue the work, the workers lost money because they couldn't work, and the owner lost money in accumulated interest on the construction phase of the loan. A potential problem noted was that many of the inspectors were up for retirement. Without the ability of the department to contract for inspectors could cause a major setback for all on-going construction projects as well as those that are in the permitting stage. A consensus noted that because of the tremendous backlog everybody was suffering and losing money. It was also part of the consensus that the bill is badly needed to relieve the backlog, improve the Permits Section turn around time on applications, and provide a needed boost to the construction industry that is providing additional housing for the people of Guam at a time when housing is critically short.

## COMMITTEE RECOMMENDATIONS

The Committee on General Governmental Operations and Micronesian Affairs, to which was referred **Bill No. 372** (*An Act to establish the "DPW Building and Design Fee Account" for use by the Building Official to contract for plan reviews and building inspections by adding a Subsection (b) to Section 66408, Chapter 66, 21 GCA*), wishes to report out the Bill to the full Legislature with the recommendation to **do pass**.



APR 27 1993

Honorable Ted Nelson  
Chairman, Committee on General  
Governmental Operations  
Twenty-Second Guam Legislature  
Agana, Guam

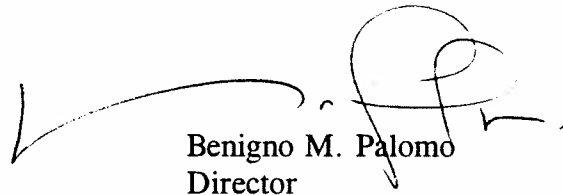
Dear Senator Nelson:

Thank you for affording us the opportunity to testify on Bill No. 372, an act to establish the "DPW Building & Design Fee Account" for use by the Building Official to contract for plan reviews and building inspections.

We strongly support the intent of this bill. The Design & Analysis and Building Permits Sections of the Department of Public Works are currently backlogged with the review of construction plans submitted with building permit applications and the required building inspections. This backlog has resulted in delays in accomplishing the required plan reviews and in conducting the various required inspections during construction. The establishment of the "DPW Building & Design Fee Account" and the authority to contract for services consisting of plan reviews and building inspections using architects and engineers from the private sector will substantially alleviate this backlog and reduce the waiting periods for the issuance of building permits and building inspections.

Once again, thank you for giving us the opportunity to comment on this bill.

Sincerely yours,



Benigno M. Palomo  
Director






Introduced

APR 12 '93

TWENTY-SECOND GUAM LEGISLATURE  
1993 (FIRST) REGULAR SESSION

Bill No. 372 (LS)  
Introduced By:

D. Parkinson 

**AN ACT TO ESTABLISH THE "DPW BUILDING & DESIGN FEE ACCOUNT"  
FOR USE BY THE BUILDING OFFICIAL TO CONTRACT FOR PLAN  
REVIEWS AND BUILDING INSPECTIONS, BY ADDING A SUBSECTION (b)  
TO SECTION 66408, CHAPTER 66, 21 GCA.**

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

**Section 1.** Subsection (b) is added to Section 66408,  
Chapter 66, 21 GCA and reads as follows:

**"(b) Legislative Findings and Intent.** The  
Legislature finds that the Building Permits and Design Analysis  
Section of the Department of Public Works is currently backlogged  
with plan reviews and building inspections. This backlog is  
causing owners problems with loans and financial eligibility,  
because of the time involved in drawing plans and getting the  
plans approved by the various sections of the Government. It is  
also causing contractors problems with long periods of no work  
until the plans are approved and permitted; and, again with long  
delays waiting for inspections during the construction phase. It  
is the intent of the Legislature that the Government encourage  
more construction in all areas, by eliminating such backlog and

1 long waiting periods. In order to alleviate some of the backlog  
2 in accomplishing required plan reviews and phase inspections by  
3 the Building Permits and Design Section, the Legislature finds it  
4 necessary to allow the Building Permits and Design Analysis  
5 Section to contract for professional Architects and Engineers to  
6 conduct plan reviews and phase inspections."

7  
8 **Section 2.** Subsection (c) is added to Section 66408,  
9 Chapter 66, 21 GCA and reads:

10 "(c) Notwithstanding any other provision of law, the  
11 Department of Public Works, Building Permits and Design Analysis  
12 Section is authorized to contract for services consisting of plan  
13 reviews and building inspections using Architects and Engineers  
14 from the private sector."

15  
16 **Section 3.** Subsection (d) is added to Section 66408.  
17 Chapter 66, 21 GCA and reads:

18 "(d) Currently, fees derived from the plan reviews and  
19 building inspections are deposited in the General Fund. On the  
20 effective date of this Act, a special fund designated as the "DPW  
21 Building & Design Fee Account" will be established and Sixty-five  
22 (65) per cent of all funds received after the effective date of  
23 this Act shall be used for review and inspection purposes."

24  
25 **Section 4.** Subsection (e) is added to Section 66408,  
26 Chapter 66, 21 GCA and reads:

1           "(e) To ensure that there is no impact on the General  
2 Fund for plan reviews and inspections, no funds will be  
3 appropriated from the General Fund initially. Contracted plan  
4 reviews and inspections will commence when adequate funds have  
5 accumulated in the DPW Building & Fee Account to defray the costs  
6 of these services".  
7  
8

9           **Section 5.** Subsection (f) is added to Section 66408,  
10 Chapter 66, 21 GCA and reads:  
11  
12

13           "(f) To ensure a fair and equitable distribution  
14 of contracts among available architects and engineers, The  
15 Building Permits and Design Analysis Section will establish a  
16 list of architects and engineers that will be used on a rotating  
17 basis, to solicit from, for plan reviews and inspections. All  
18 architects and engineers on this rotating list will be properly  
19 licensed to operate on Guam.  
20

21           **Section 6.** Subsection (g) is added to Section 66408,  
22 Chapter 66, 21 GCA and reads:  
23

24           "(g) Fees charged for plan reviews and inspections that  
25 are contracted out will be the same as those charged when the  
26 plan reviews and inspections are accomplished by Building Permits  
27 and Design Analysis Section personnel.  
28  
29  
30