


CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This certifies that Bill No. 38, "An Act to amend Section 13600 of the Government Code of Guam, to repeal Chapter 8 of Title XIV of the Government Code of Guam, to enact a new Chapter 8 to Title XIV, Government Code of Guam, relating to land use permits, repealing the Homestead Law, and enacting a new Chapter with respect to Agricultural leases of government land", was on the 7th day of July, 1967, duly and regularly passed.


J. C. ARRIOLA
Speaker

ATTESTED:


F. T. RAMIREZ
Legislative Secretary

This Act was received by the Governor this 26th
day of July, 1967 at 11:31 o'clock A. M.

/s/ RUDOLPH G. BABLAN
 Secretary of Guam

APPROVED:

/s/ Manuel F. L. Guerrero
MANUEL F. L. GUERRERO
Governor of Guam

DATED: AUG 25 1967
9 26 A.M.

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Public Law 9-117

Public Law 9-117
Ninth Guam Legislature
(Bill 38)
August 25, 1967

AN ACT

An Act to amend Section 13600 of the Government Code of Guam, to repeal Chapter 8 of Title XIV of the Government Code of Guam, to enact a new Chapter 8 to Title XIV, Government Code of Guam, relating to land use permits, repealing the Homestead Law, and enacting a new Chapter with respect to Agricultural leases of government land.

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

Section 1. Section 13600 of the Government Code of Guam is hereby amended to read as follows:

"Section 13600. Use permits. (a) The Director with the approval of the Governor is authorized to grant permits for the use of any suitable government real property, not otherwise occupied or in use, for any lawful purposes except agriculture.

(b) Such permits shall be granted for a period not exceeding one (1) year.

(c) No person shall use or occupy under any such permit more than one acre.

(d) The Department shall collect a reasonable charge from each permit holder based upon the fair market value of the land and the use made thereof.

(e) The form of such permits shall be prescribed by the Attorney General.

(f) The Director, with the approval of the Governor, shall make such reasonable rules, not inconsistent with the foregoing provisions of this section, governing the qualifications for, applications for an issuance of such permits, the terms and conditions thereof, the charges to be collected therefor, supervision of operations thereunder, and enforcement of the terms thereof as may be necessary or desirable to the efficient administration of the program and in the public interest."

Section 2. Chapter 8 of Title XIV of the Government Code of Guam is hereby repealed in its entirety and a new Chapter 8 is hereby enacted to read as follows:

"CHAPTER 8
Agricultural Leases

Section 13700. Agricultural Land Available for Lease: Selection. The Department of Land Management, subject to approval by the Governor, is authorized to declare available for lease under the provision of this Chapter government real property as may be suitable for agriculture, and which is not required for public use or reserved for other purposes by any other provision of law. Such land shall then be transferred for administrative purposes to the Department of Agriculture for lease in accordance with the provisions of this Chapter, to qualified persons for the purposes of agriculture. The provisions of Chapter Six of this Title shall not apply to any leases executed hereunder.

Section 13701. Regulation by Department of Agriculture. The Department of Agriculture shall process all applications for lease made under the provisions of this Chapter. It shall determine the best agricultural uses for which the available land should be put and the size of the tracts to

be leased, keeping in mind that successful commercial production on such government land is desired by the Legislature and that therefore the parcels should be large enough to make such production possible.

Section 13702. Eligibility. Any person who is a citizen of the United States and of legal age, any corporation authorized to do business in the territory of Guam and authorized by its articles of incorporation to engage in agriculture, and any partnership, limited or general, licensed to do business in the territory of Guam, shall, in accordance with the provisions of this Chapter, be eligible to lease government of Guam land for agricultural purposes. No such person, corporation or partnership shall be eligible to lease more than one tract, without the consent of the Legislature by resolution.

Section 13703. Application for Leases. Application for leases of agricultural land hereunder shall be made to the Department of Agriculture. The application shall be made in such form as the Director of Agriculture, with the approval of the Governor, shall by rule or regulation prescribe, and the application shall contain such data as the Director, with the approval of the Governor, may, by rule or regulation, require.

Section 13704. Approval. The Department of Agriculture shall verify the eligibility of the applicant and all essential facts set forth by the applicant. The Department shall then approve or disapprove the application in accordance with such reasonable standards as the Director, with the approval of the Governor, may prescribe by rule or regulation, not inconsistent with law. Such standards shall include the previous experience and background in agriculture of the applicant, the financial ability of the applicant

insofar as his ability to make maximum productive use of the land leased is concerned, the proposed investment of the applicant, and the local need and marketability of the crop or other agricultural product to be raised or derived from the land to be leased, it being the intent of the Legislature that agricultural land belonging to the government be leased to those who will make maximum productive use thereof.

Section 13705. Form of Lease. Upon approval of the application, the Governor shall execute a lease with the applicant, in a form approved by the Attorney General, which, among other lease provisions, shall include the following:

(1) The maximum term shall be fifty years, to be divided into ten years increments, renewable at the option of the lessee.

(2) No rent shall be collected for the first five years operation under the lease, and thereafter rent will be due on an annual basis at the end of the sixth year and those years following.

Section 13706. Rent. The amount of rent due shall be established by using a schedule, to be promulgated by the Director, with the approval of the Governor, which shall operate in inverse proportion to the investment made on the lease land, as such investment is certified by the Department of Agriculture. The Director, in establishing the schedule, shall attempt to award thereby those lessees who make maximum investment in the leased land and penalize those who make the least. In no event, however, shall the annual rent exceed six percent (6%) of the fair market value of the land at the time of the execution of the lease.

Section 13707. Cancellation. ~~The government~~ of Guam shall reserve the right to cancel at any time, any lease executed hereunder if the lessee is not using the land for the purpose for which leased, unless good cause for such failure can be shown, except that no lease can be cancelled without a hearing thereon pursuant to the provisions of the Administrative Adjudication Act.

Section 13708. Taxes. During the first five years of occupancy of government real property under an agricultural lease executed pursuant to the provisions of this Chapter, the said land shall not be subject to real estate taxes, except that any improvements shall be taxed in the same manner as any other private property. At the end of the first five years, both the leasehold interest as well as the improvements shall be subject to real estate taxes.

Section 13709. Transfers or Encumbrances: Approval Required. No rights derived from any lease executed under the provisions of this Chapter shall be assigned, sold, subleased, encumbered or hypothecated unless the approval of the Governor is first obtained.

Section 13710. Definitions. As used herein the term 'agriculture' shall include also grazing and stockraising, and the 'Department' or 'Director of Agriculture' shall also include any successor to said Department or Director.

Section 13711. Annual Financial Statement. Every lessee under a lease executed pursuant to provisions of this Chapter shall annually submit to the Department of Agriculture a financial statement and report setting forth in detail the improvements on and the income derived from the leased land. The Director, may, with the approval of the Governor, prescribe by rule or

regulation, the form of such financial statement
and the data required."

Approved August 25, 1967.