

Special Economic Service Meetings

July 6, 2010 – 8:30am

July 20, 2010 – 8:30am

I MINA'TRENTA NA LIHESLATURAN GUÅHAN

Public Hearing Room

155 Hesler Place

Hagåtña, Guam 96910

AGENDA

July 6, 2010 – 8:30am

- I. Call to Order
- II. OFB update on FY2010 Revenue Tracking
 - A. General Tax Revenue Collections;
 - B. General Tax Revenue Trends.
- III. Current and Future Revenue Challenges to Operating Budget
 - A. Current Legislative Bills;
 - 1. Revenue related bills 174, 247, 356, 364, 389, 400;
 - 2. Expenditure related bills 173, 234, 337, 392, 393.
 - B. JFK Temporary Facility Lease;
 - 1. modify contract from tax credit to cash;
 - 2. negotiating lease improvements that increase FY11 cost to \$6.5 million and remove annual option to terminate, locking in \$4.5 million/year obligation for 8 more years.
 - C. JFK Permanent Lease;
 - D. 3rd and 4th installment of Law Enforcement 10%;
 - E. Deficit Bond and Landfill Bond - Debt Service;
 - F. Mental Health Permanent Injunction
 - G. Government-wide reclassification;
 - H. Bank Fees;

senator vicente c. pangelinan

Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land

324 West Soledad Avenue

Hagåtña, Guam 96910

- I. DPHSS PH Pro purchase / lease;
- J. The Health Care Service Provider Incentive Act of 2006 (P.L. 28-150);
- K. Government of Guam Health Insurance
 - 1. Utilization data – prepare for prospective carriers
 - 2. Medicare for Retirees with supplemental insurance
- L. Military Buildup Delay.
 - 1. Senate appropriation cuts;
 - 2. Futenma relocation uncertainty.

July 20, 2010 – 8:30am

- IV. Government of Guam Liabilities
 - A. Tax Refund Liability – Presentation by Department of Revenue & Tax;
 - 1) By tax year by type (regular v. EIC) by liability (principal v. interest):
processed and unprocessed;
 - 2) Annual Adjustment of Provision for Refunds by Tax Year.
 - 3) Annual Appropriations Act
 - i. Provision v. Expected Tax Refund Payments
 - ii. Recognizing Future Liability v. Operational Spending Plan
 - B. Government of Guam - Presentation by Department of Administration;
 - 1) Accounts Payable
 - 2) Prior Year Obligations
 - i. Semi-Autonomous Agencies
 - 1. Appropriations Cap / Deficit Reduction
 - 2. Retirement Fund;
 - a. Guam Memorial Hospital;
 - b. Department of Education
 - 3. Guam Power Authority.
 - a. Department of Education
 - ii. Unrecognized Payables

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iii. Employees

C. Other.

1) COLA;

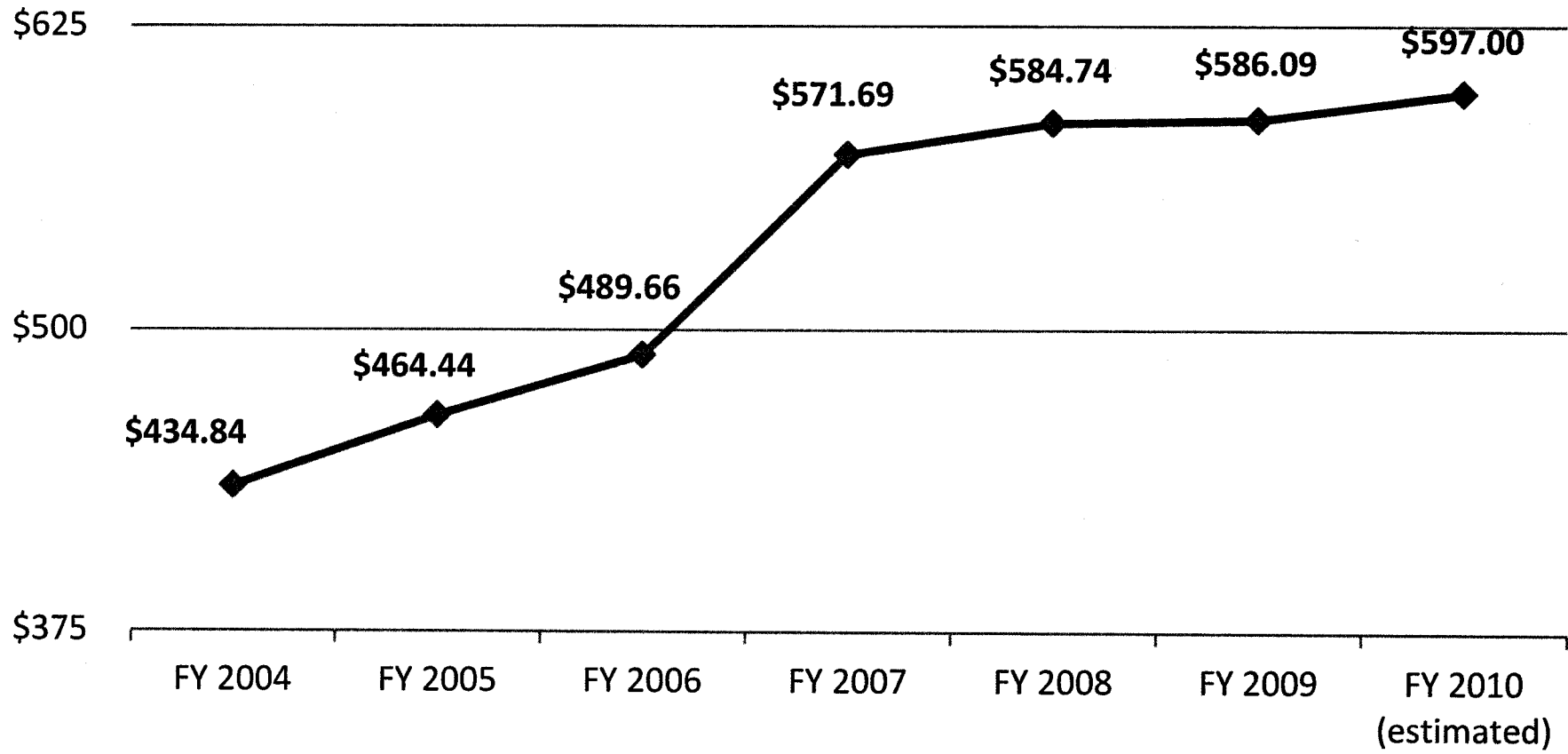
2) Federal Bureau of Prisons.

V. Continuing Appropriations

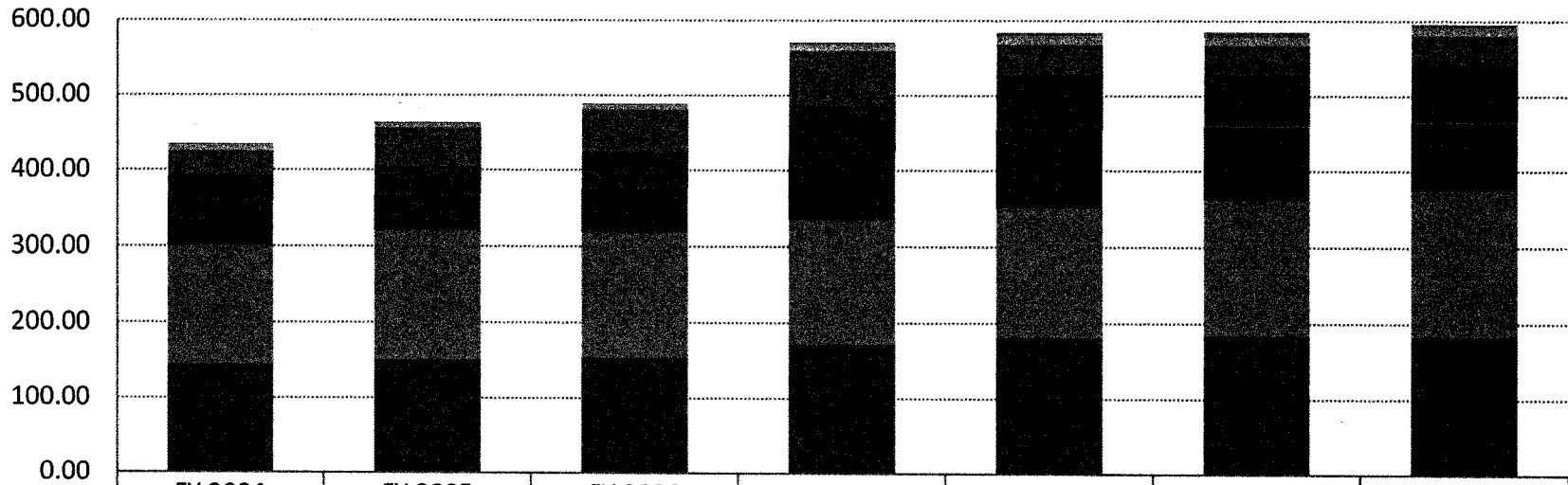
VI. Adjourn

SECTION 2

Total General Fund Tax Collections



Guam General Fund Collection by Source by Fiscal Year



	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010 (8 + 4)
■ Int & Penalties	1.24	2.41	1.60	1.96	3.87	6.85	4.36
■ Other Sources	8.61	6.11	7.37	10.5	12.78	12.25	12.03
■ Section 30	31.73	51.29	56.82	73.09	40.22	38.87	39.03
■ Ind Inc Tax	32.78	36.89	47.23	62.47	72.72	68.25	76.46
■ Corp Inc Tax	59.46	46.87	57.81	87.90	103.14	97.44	90.17
■ W/H Tax	156.32	169.25	164.52	163.22	169.52	178.15	191.19
■ GRT	144.71	151.62	154.31	172.55	182.49	184.30	183.76

**FY2010 PUBLIC LAW 30-55 GENERAL FUND REVENUE OVER EXPENDITURES REPORT
8 MONTHS ACTUAL + 4 MONTHS PROJECTION**

CATEGORY	TAX	2009-10	2009-11	2009-12	2010-01	2010-02	2010-03	2010-04	2010-05	2010-06	2010-07	2010-08	2010-09	TOTAL	
PROJECTED REVENUE COLLECTIONS															
01	INCOME TAXES	INDIVIDUAL	\$10,567,025	\$708,093	\$1,096,928	\$10,600,091	\$1,448,750	\$4,330,159	\$28,137,709	\$3,441,466	\$5,139,382	\$4,642,239	\$1,858,102	\$4,489,072	\$76,459,015
02	INCOME TAXES	CORPORATION	\$3,490,356	\$2,522,442	\$14,414,514	\$6,407,984	\$1,881,148	\$11,771,792	\$9,033,469	\$3,584,478	\$13,476,963	\$5,317,486	\$1,917,445	\$16,353,475	\$90,171,551
03	INCOME TAXES	WITHHOLDING	\$14,800,273	\$13,285,500	\$16,754,958	\$14,045,753	\$15,191,960	\$18,963,441	\$19,520,582	\$16,804,126	\$17,935,451	\$12,342,396	\$17,171,679	\$14,303,785	\$191,119,903
04	INCOME TAXES	WITHHOLDING - COLA	\$13,941	\$0	\$33,675	\$0	\$8,926	\$5,399	\$4,655	\$0	\$0	\$0	\$0	\$0	\$66,595
05	INCOME TAXES	INTEREST & PENALTIES	\$417,818	\$195,468	\$119,321	\$198,383	\$828,100	\$277,536	\$430,396	\$174,749	\$429,721	\$429,721	\$429,721	\$429,721	\$4,360,656
06	INCOME TAXES	PROVISIONS FOR REFUNDS													
07	BUSINESS PRIVILEGE TAXES	GROSS RECEIPTS TAXES	\$16,012,624	\$13,475,822	\$13,717,638	\$16,479,755	\$14,731,443	\$17,114,034	\$16,647,026	\$14,259,632	\$15,943,289	\$14,656,280	\$15,516,525	\$15,206,273	\$183,760,340
08	BUSINESS PRIVILEGE TAXES	ADMISSIONS TAX	\$113	\$0	\$150	\$125	\$0	\$50	\$0	\$38	\$6,300	\$27,025	\$26,238	\$25,250	\$85,288
09	BUSINESS PRIVILEGE TAXES	USE TAX	\$205,516	\$446,424	\$297,535	\$154,272	\$274,789	\$245,861	\$151,177	\$242,099	\$166,159	\$447,261	\$400,143	\$376,262	\$3,407,499
10	LICENSES, FEES & PERMITS	LICENSES, FEES & PERMITS	\$111,255	\$116,151	\$103,905	\$58,190	\$67,749	\$90,601	\$87,425	\$115,993	\$1,638,486	\$865,823	\$368,087	\$297,431	\$3,921,097
11	USE OF MONEY & PROPERTY	USE OF MONEY & PROPERTY	\$109,342	\$83,663	\$65,390	(\$164,095)	\$22,121	\$16,803	\$65,068	\$63,935	\$1,461	\$209,921	\$172,501	\$156,133	\$802,242
12	FEDERAL SOURCES	SECTION 30	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$3,252,344	\$39,028,128
13	FEDERAL SOURCES	IMMIGRATION FEES	\$131,915	\$163,050	\$135,015	\$150,295	\$118,500	\$128,763	\$149,777	\$156,860	\$132,285	\$5,280	\$168,485	\$218,895	\$1,659,120
14	FEDERAL SOURCES	INDIRECT COST RECOVERY	\$7,748	\$19,144	\$22,698	\$29,905	\$9,156	\$61,957	\$16,008	\$15,850	\$0	\$10,174	\$19,054	\$117,250	\$328,943
15	DEPARTMENT CHARGES	AGRICULTURE	\$147	\$180	\$93	\$64	\$187	\$240	\$242	\$258	\$164	\$104	\$130	\$171	\$1,980
16	DEPARTMENT CHARGES	POLICE & CORRECTIONS	\$10	\$80	\$0	(\$60)	\$0	\$20	\$20	\$0	\$5	\$0	\$0	\$0	\$75
17	DEPARTMENT CHARGES	PUBLIC WORKS	\$33,630	\$18,564	\$63,468	\$5,518	\$40,704	\$60,418	\$12,301	\$1,710	\$1,810	\$41,829	\$56,754	\$23,789	\$360,495
18	DEPARTMENT CHARGES	PUBLIC HEALTH	\$13,783	\$15,305	\$12,026	\$11,790	\$13,313	\$13,527	\$12,354	\$11,831	\$9,285	\$25,685	\$23,290	\$23,117	\$185,305
19	DEPARTMENT CHARGES	COMMERCE	\$18,427	\$24,613	\$33,715	\$7,661	\$53,670	\$11,304	\$15,392	\$40,593	\$10,661	\$31,653	\$15,116	\$14,465	\$277,270
20	DEPARTMENT CHARGES	OTHER CHARGES	\$103,546	(\$17,823)	\$107,679	\$34,094	\$31,059	\$33,077	\$92,346	\$118,849	\$97,211	\$105,891	\$152,636	\$142,180	\$1,000,745
			\$49,289,812	\$34,309,017	\$50,231,051	\$51,272,070	\$37,973,920	\$56,377,325	\$77,628,290	\$42,284,811	\$58,240,977	\$42,411,111	\$41,548,249	\$55,429,612	\$596,996,246

PROJECTED EXPENDITURES

INCOME TAX REFUND PAYMENTS

REFUNDS PAID FROM FY10 COLLECTIONS	\$9,889,821	\$7,281,424	\$8,611,846	\$6,789,008	\$5,537,705	\$4,105,019	\$3,894,490	\$4,106,667							\$50,215,980
INTEREST (REFUNDS PAID) FROM FY10 COLLECTIONS	\$353,104	\$273,823	\$314,364	\$346,472	\$283,844	\$195,577	\$209,543	\$245,357							\$2,222,084
EIC PAYMENTS	\$3,006,258	\$3,042,861	\$1,498,374	\$0	\$2,029,053	\$1,997,756	\$2,016,278	\$2,001,386							\$15,591,965
TOTAL INCOME TAX REFUND PAYMENTS (TAX YEAR 2009 AND PRIOR)	\$13,249,183	\$10,598,108	\$10,424,584	\$7,135,480	\$7,850,602	\$6,298,352	\$6,120,311	\$6,353,410	\$0	\$0	\$0	\$0	\$0	\$0	\$68,030,029

GENERAL OPERATING EXPENDITURES AND PROGRAMS

ACTUAL GENERAL FUND EXPENDITURES	\$46,953,756	\$70,530,759	\$37,302,670	\$40,155,596	\$36,401,453	\$42,010,586	\$39,430,870	\$41,214,697	\$0	\$0	\$0	\$0	\$0	\$354,000,387
PROJECTED GENERAL FUND EXPENDITURES									\$36,963,608	\$35,973,602	\$35,970,272	\$37,007,923		\$145,915,404
TOTAL GENERAL OPERATING EXPENDITURES AND PROGRAMS														\$499,915,791
TOTAL PROJECTED GENERAL FUND EXPENDITURES														\$567,945,820

PROJECTED REVENUES OVER EXPENDITURES

\$29,050,426

Notes:

01 SHADED AREAS REPRESENT PROJECTED SOURCES:

02 ACTUAL REVENUES DOA FINANCIAL MANAGEMENT SYSTEM
INCOME TAX REFUND PAYMENTS DOA RECONCILIATION REPORT
GENERAL FUND EXPENDITURES & MONTHLY COMPARATIVE REVENUES AND EXPENDITURES
ENCUMBRANCES REPORTS

03	FY2009	ACTUAL GENERAL FUND EXPENDITURES	\$43,640,818	\$37,892,303	\$25,452,876	\$73,937,023	\$41,074,038	\$48,998,436	\$45,546,999	\$42,613,983	\$35,610,412	\$34,656,649	\$34,653,441	\$35,653,105	\$499,730,083
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SECTION 3

Section III.A.1

I MINA'TRENTA NA LIHESLATURÁN GUÁHAN
2009 (FIRST) Regular Session

Bill No. 30-174 (COR)

Introduced by:

Adolpho B. Palacios, Sr.



2009 JUL 10 AM 10:33
7

AN ACT TO *AMEND* §26203(k)(9), (28), (29), (30), (31) AND (32), OF CHAPTER 26, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO INCREASING THE EXEMPTIONS AMOUNT FROM FORTY THOUSAND (\$40,000) TO FIFTY THOUSAND (\$50,000) DOLLARS AND THE LIMITATIONS ON GROSS INCOME FROM FIFTY THOUSAND DOLLARS (\$50,000) TO TWO HUNDRED THOUSAND (\$200,000) DOLLARS.

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

2 **Section 1. Findings and Intent.** *I Liheslaturan Guåhan* finds that during the
3 term of the 29th Guam Legislature, Bill 379 (EC) was passed and was transmitted to the
4 Governor of Guam on December 31, 2008. December 31, 2008 was the final day of the
5 legislative term thus, the legislature adjourned "*sine die*." In accordance with the Organic
6 Act of Guam, the Governor had thirty (30) days to act on any Bill received on the last day
7 of a legislative term. The Governor did not act on Bill 379 (EC); the term of the 29th
8 Guam Legislature term ended and consequently, Bill 379 (EC) was pocket-vetoed.

9 It is the intent of *I Liheslaturan Guåhan* to consider for re-passage what was Bill
10 379 (EC) of the 29th Guam Legislature, as this current Bill, by amending §26203(k)(9),
11 (28), (29), (30), (31) and (32), of Chapter 26, Title 11, Guam Code Annotated.

12 **Section 2.** §26203(k)(9), Chapter 26, Title 11 Guam Code Annotated is
13 hereby *amended* to read:

1 “(9) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
2 received per taxable year by any person as rental income from real property whose gross
3 annual rental income from real property is less than ~~Fifty~~ Two Hundred Thousand
4 Dollars (~~\$50,000~~) (\$200,000) during the most recent tax year. The exemption shall apply
5 annually, commencing at the first day of the month of the new tax year, based on the
6 gross annual rental income of a person during the most recent year, and shall end on the
7 last day of the last month of the same tax year.”

8 **Section 3. §26203(k)(28), Chapter 26, Title 11 Guam Code Annotated is**
9 **hereby amended to read:**

10 “(28) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
11 received per taxable year by any person as income from retailing whose gross annual
12 retail income is less than ~~Fifty~~ Two Hundred Thousand Dollars (~~\$50,000~~) (\$200,000)
13 during the most recent tax year. The exemption shall apply annually, commencing at the
14 first day of the month of the new tax year, subject to the gross annual retail income of a
15 person during the most recent year, and shall end on the last day of the last month of the
16 same tax year.

17 (i) Fifty percent (50%) of the amounts received from the retail sale of local
18 produce, as defined in this Subdivision.

19 (ii) *Local produce* as used in this Subdivision shall mean the following: locally
20 produced crops, including, but not limited to, plants and plant products
21 collectively grown or cared for and used for food and other useful purposes;
22 locally raised livestock, including but not limited to, cattle, carabao, swine, sheep,
23 goats, equine and poultry raised for food or other purposes; and locally caught

1 fish to include any aquatic animal life, including, but not limited to, oysters,
2 clams, mollusks, mussels, crustaceans and other shellfish”

3 **Section 4. §26203(k)(29), Chapter 26, Title 11 Guam Code Annotated is**
4 **hereby amended to read:**

5 “(29) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
6 received per taxable year by any person as income service, which includes, but is not
7 limited to, legal; medical; dental; accounting; consulting and engineering fees;
8 commissions on real estate sales or property management; fees charged by barbershops,
9 beauty parlors, shoe shining parlors, dry cleaning and laundry establishments; and
10 automobile, appliance, electronics and computer repair shops, whose gross annual service
11 income is less than ~~Fifty~~ Two Hundred Thousand Dollars (~~\$50,000~~) (\$200,000) during
12 the most recent tax year. This exemption shall apply annually, commencing at the first
13 day of the month of the new tax year, subject to the gross annual service income of the
14 person during the most recent tax year, and shall end on the last day of the month of the
15 same tax year.”

16 **Section 5. §26203(k)(30), Chapter 26, Title 11 Guam Code Annotated is**
17 **hereby amended to read:**

18 “(30) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
19 received per taxable year by person as rental income whose gross annual rental income is
20 less than ~~Fifty~~ Two Hundred Thousand Dollars (~~\$50,000~~) (\$200,000) during the most
21 recent tax year. This exemption shall apply annually, commencing at the first day of the
22 month of the new tax year, based on the gross annual rental income of a person during the
23 most recent year, and shall end on the last day of the last month of the same tax year.”

1 **Section 6. §26203(k)(31), Chapter 26, Title 11 Guam Code Annotated is**
2 **hereby amended to read:**

3 “(31) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
4 received per taxable year by a person, partnership or corporation as commission income
5 whose gross annual commission income is less than ~~Fifty~~ Two Hundred Thousand
6 Dollars (~~\$50,000~~) (\$200,000) during the most recent tax year. This exemption shall apply
7 annually, commencing at the first day of the month of the new tax year, subject to the
8 gross annual income of the person during the most recent tax year, and shall end on the
9 last day of the month of the same tax year.”

10 **Section 7. §26203(k)(32), Chapter 26, Title 11 Guam Code Annotated is**
11 **hereby amended to read:**

12 “(32) The first ~~Forty~~ Fifty Thousand Dollars (~~\$40,000~~) (\$50,000) earned or
13 received per taxable year by a licensed insurance company as insurance premium income
14 whose gross annual insurance premium income is less than ~~Fifty~~ Two Hundred Thousand
15 Dollars (~~\$50,000~~) (\$200,000) during the most recent tax year. This exemption shall apply
16 annually, commencing at the first day of the month of the new tax year, subject to the
17 gross annual income of the person during the most recent tax year, and shall end on the
18 last day of the month of the same tax year.”

I MINA'TRENTA NA LIHESLATURÁN GUÁHAN
2009 (FIRST) Regular Session

Bill No. 247-30 (COR)

Introduced by:

Adolpho B. Palacios, Sr. 

2009 OCT -7 AM 11:15

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AN ACT TO AUTHORIZE THE ACCEPTANCE OF THE INTERESTS RECEIVED FROM SUPERIOR COURT CASE NO. SP0206-93, PURSUANT TO PUBLIC LAW NO. 29-18 AND PUBLIC LAW NO. 29-04, TO OFF-SET GOVERNMENT OF GUAM-IMPOSED TAXES OWED TO THE GOVERNMENT OF GUAM.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guáhan* passed Bill
3 No. 68 (EC) which has become law on September 23, 2007, as Public Law No. 29-18.
4 The law authorizes for the issuance of interests earned on the unpaid amount of the
5 judgment award in Superior Court Case No. SP0206-93, "Rios vs. Camacho".

6 In Public Law No. 28-151, *I Liheslaturan Guáhan* attempted to authorize a tax
7 rebate on the awards reference to Superior Court Case No. SP0206-93. At the request of
8 the Department of Revenue and Taxation, however, the Office of the Attorney General
9 on August 13, 2009, reference DOA 09-0613, issued a legal opinion that no sum of the
10 award can be used to off-set taxes owed to the government.

11 On August 13, 2009, the Department of Administration issued notices to
12 awardees in Superior Court Case No. SP0206-93 of the amount of interest earned on the
13 unpaid balance due them. The notice includes in part, a statement, "The interest due

1 cannot be used toward payment of taxes pursuant to the Attorney General's memorandum
2 dated August 13, 2009 regarding the use of COLA Certificates and interest received to
3 pay taxes.

4 In light of the legal opinion rendered by the Office of the Attorney General
5 reference to the limitation on "tax rebate", and Public Law No. 29-18, *I Liheslaturan*
6 *Guåhan* believes that the interests issued to the Cost of Living Allowance (COLA)
7 awardees have no value. It was the intent of *I Mina' Benti Nuebe na Liheslaturan*
8 *Guåhan* in Public Law No. 29-18 to authorize the use of the COLA award to off-set taxes
9 owed to the government of Guam.

10 It is therefore the intent of *I Liheslaturan Guåhan* to authorize for the acceptance
11 of the interests received from Superior Court Case No. SP0206-93, pursuant to Public
12 Law No. 29-18 and Public Law No. 29-04, to off-set taxes imposed by the government of
13 Guam and which are owed to the government of Guam.

14 **Section 2. Authority to accept COLA interest to settle outstanding tax**
15 **liability.** Notwithstanding 11 GCA, §15101(b) which reads, in part, as follows:

16 "No real property or property other than money may be accepted by
17 Department of Revenue and Taxation as settlement for any outstanding tax
18 liability nor may be received by the government of Guam pursuant to
19 §38101 of the Government Code of Guam without prior specific statutory
20 authority for the transaction,"

21 the Department of Revenue and Taxation is hereby authorized to accept the interests
22 issued in reference to Superior Court Case No. SP0206-93 as settlement for any
23 outstanding tax liability imposed by the government of Guam.

1 **Section 3. Formulation for transaction and date to commit.** (a) The
2 Department of Administration and the Department of Revenue and Taxation, together,
3 shall formulate a process for the transaction necessary to accomplish the intent of Section
4 2 *supra*, no later than sixty (60) days from enactment of this Act.

5 (b) The Department of Administration shall issue no later than ninety (90) days
6 from the enactment of this Act a document which may be accepted by the Department of
7 Revenue and Taxation as settlement for any outstanding tax liability which are imposed
8 by the government of Guam and which are owed to the government of Guam.

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2010 (Second) Regular Session

Bill No. 356-30 (COR)

Introduced by:

B.J.F. Cruz



11/10/10 10:55

**AN ACT TO AMEND §3414 OF ARTICLE 4, CHAPTER 3,
TITLE 11 OF THE GUAM CODE ANNOTATED; RELATIVE
TO REDUCING HOURS OF SALE FOR ALCOHOLIC
BEVERAGES.**

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

2 **Section 1.** Subsection § 3414 of Article 4, Chapter 3, Title 11, Guam Code

3 Annotated is hereby *amended* to read:

4 **“§ 3414. Hours of Sale. On-Sale Premises.**

5 An on-sale licensee shall not sell or serve any person any alcoholic beverages after
6 between the hours of 2:00 a.m. and 8:00 a.m., ~~except that preceding New Year's~~
7 ~~Day, the selling time shall be 2:00 a.m., on Saturdays, Sundays and holidays the~~
8 ~~selling time shall be 4:00 a.m.~~ provided, however, that all alcoholic beverages must
9 be consumed within 15 minutes of the time permitted for the sale thereof and
10 premise(s) shall be closed thereafter. ~~A licensee may begin selling or serving~~
11 ~~alcoholic beverages at 8:00 a.m., Monday through Sunday, inclusive.”~~

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (Second) Regular Session

Bill No. 364-30(Lor)

Introduced by:

v.c. pangelinan

2010 APR -5 PM 1:02
WV

AN ACT TO AMEND SECTION 6 OF PUBLIC
LAW 24-141 RELATIVE TO EVENT
ADMISSIONS ASSESSMENT TO THE GUAM
RACEWAY PARK

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 Section 1. Section 6 of Public Law 24-141 is hereby amended to
2 read:

3 "Section 6. Event Admissions Assessment. The organizers of any
4 event held at the raceway park for which a fee is charged for admission,
5 shall pay to the government of Guam, an admissions assessment of ten
6 percent (10%) of the admission price ~~Two Dollars (\$2.00)~~ per paid
7 admission."


8 Section 2. Severability. If any of the provisions of this Act or the
9 application thereof to any person or circumstance is held invalid, such
10 invalidity shall not affect any other provision or application of this Act
11 which can be given effect without the invalid provision or application, and to
12 this end the provisions of this Act are severable.

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2010 (Second) Regular Session

2010 MAY - 6 AM 8:42

Bill No. 389-30(COF)

Introduced by:

B.J.F. Cruz 

AN ACT TO AMEND ARTICLE 3 OF § 3303, ARTICLE 4 OF § 3419 AND § 3420, AND ARTICLE 6 OF § 3619, OF CHAPTER 3 TITLE 11, AND ARTICLE 1 OF § 18102, AND § 18121 OF CHAPTER 18, TITLE 16, OF THE GUAM CODE ANNOTATED; RELATIVE TO INCREASING THE MINIMUM LEGAL DRINKING AGE.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that among alcohol control policies, the minimum legal drinking age has been the
4 most studied and which, according to the American Medical Association, research
5 shows that a higher minimum legal drinking is effective in preventing alcoholic-
6 related deaths and injuries among youth.

7 *I Liheslaturan Guåhan* finds that after prohibition, nearly all states
8 restricting alcohol to young people designated 21 as the minimum legal drinking
9 age, but with the change in the minimum voting age in the 70's, most states began
10 to lower their minimum drinking age laws. Since then, family advocacy groups

1 and organizations such as the American Medical Association have helped to
2 convince almost all state assemblies to return their minimum legal drinking age to
3 21.

4 *I Liheslaturan Guåhan* further finds that numerous developmental health
5 studies show younger consumers of alcohol may impair their brain development,
6 develop alcoholism, liver problems, and psychological problems. Young drinkers
7 may be less ambitious and engage in risky behavior including promiscuity and the
8 use of illicit drugs.

9 It is therefore the intent of *I Liheslaturan Guåhan* that by following in the
10 example of almost all jurisdictions in the United States by increasing the minimum
11 legal drinking age to 21, we ensure the safety and well-being of our younger
12 people.

13 **Section 2.** Section § 3303. of Article 3, Chapter 3 of Title 11, Guam Code
14 Annotated is hereby *amended* to read:

15 **“§ 3303. Same: Same: Minors.**

16 The Board shall not issue a license of any class to a person under ~~eighteen (18)~~
17 twenty one (21) years of age.”

18 **Section 3.** § 3419. of Article 4, Chapter 3 of Title 11, Guam Code Annotated
19 is hereby *amended* to read:

20 **“§ 3419. Same: To Minor.**

21 A licensee, his agent or employee shall not sell, give nor permit to be sold, given or
22 served any alcoholic beverages to any person under ~~eighteen (18)~~ twenty one (21)
23 years of age. For the purpose of preventing any violation of this section, any
24 licensee or his agent or employee may refuse to sell or serve alcoholic beverages to
25 any person who is unable to produce adequate written evidence that he or she has
26 reached ~~over~~ the age of ~~eighteen (18)~~ twenty one (21) years. In any criminal
27 prosecution or proceeding for the suspension or revocation of any license and

1 based upon a violation of this section, proof that the defendant licensee or his agent
2 or employee demanded and was shown, before furnishing any alcoholic beverage
3 to a minor, an identification card or other bona fide documentary evidence of
4 majority of such person shall be a defense to such prosecution or proceeding for
5 the suspension or revocation of any license. Every person who violates this section
6 shall be guilty of a petty misdemeanor.”

7 **Section 4.** § 3420. of Article 4, Chapter 3 of Title 11, Guam Code Annotated
8 is hereby *amended* to read:

9 **“§ 3420. Same: False Identification by Minor.**

10 Any person, under ~~eighteen (18)~~ twenty one (21) years of age, who exhibits a false
11 identification card or false document for the purpose of purchasing or obtaining
12 alcoholic beverages, shall be guilty of a petty misdemeanor.”

13 **Section 5.** § 3619. of Article 6, Chapter 3 of Title 11, Guam Code Annotated
14 is hereby *amended* to read:

15 **“§ 3619. Same: Minors.**

16 Any person under the age of ~~ei ghteen (18)~~ twenty one (21) ye ars p urchasing
17 alcoholic beverages or in possession thereof shall be guilty of a petty
18 misdemeanor.”

19 **Section 6.** § 18102. of Article 1, Chapter 18 of Title 16, Guam Code
20 Annotated is hereby *amended* to read:

21 **“§ 18102. Influence of Alcohol and Controlled Substances; Causing**
22 **Bodily Injury to Person Other Than Driver; Alcoholic Content in Blood;**
23 **Proof.**

24 (a) It is unlawful for any person, while under the influence of an alcoholic
25 beverage or any controlled substance, or under the combined influence of an
26 alcoholic beverage and any controlled substance, to operate or be in physical
27 control of a motor vehicle.

1 (b) It is unlawful for any person, while having eight one-hundredths of one
2 percent (0.08%) or more, by weight, of alcohol in his or her blood to operate or be
3 in physical control of a motor vehicle.

4 (c) It is unlawful for any person, while under the influence of an alcoholic
5 beverage or any controlled substance, or under the combined influence of an
6 alcoholic beverage and any controlled substance, to operate or be in physical
7 control of a motor vehicle and, when doing so, do any act forbidden by law or
8 neglect any duty imposed by law in the driving of the vehicle or who negligently
9 drives a vehicle, which act or neglect or negligence proximately causes bodily
10 injury to any person other than the driver.

11 (d) It is unlawful for any person, while having eight one-hundredths of one
12 percent (0.08%) or more, by weight, of alcohol in his or her blood to operate or be
13 in physical control of a motor vehicle and, when doing so, do any act forbidden by
14 law or neglect any duty imposed by law in the driving of the vehicle, which act or
15 neglect proximately causes bodily injury to any person other than the driver.

16 (e) In any prosecution under this section, it is a rebuttable presumption that
17 the person with eight one-hundredths of one percent (0.08%) or more, by weight,
18 of alcohol in his or her blood at the time of operating or in actual physical control
19 of a motor vehicle is under the influence of alcohol if the person had eight one-
20 hundredths of one percent (0.08%) or more, by weight, of alcohol in his or her
21 blood at the time of the performance of a blood or breath test within three (3) hours
22 after the driving.

23 (f) In proving the person neglected any duty imposed by law in the driving
24 of the vehicle, it is not necessary to prove that any specific section of this title was
25 violated.

26 (g) (1) Notwithstanding the other provisions of this section, a person under
27 the age of ~~eighteen (18)~~ twenty one (21) shall be guilty of a violation of

1 subsections (b) or (d) of this section if such person shall be found within three (3)
2 hours of his or her arrest for a violation of this section to have four one-hundredths
3 of one percent (0.04%) or more, by weight, of alcohol in his or her blood.

4 (2) A person convicted for the first time of a violation of item (1) of this
5 subsection shall be guilty of a misdemeanor and shall have his or her license or
6 permit to operate a motor vehicle suspended for six (6) months. Upon any
7 subsequent conviction of the person while under the age of ~~eighteen (18)~~ twenty
8 one (21), the person's license or permit to operate a motor vehicle shall be
9 suspended for one (1) year with no exception for occupational driving privileges.
10 Upon any conviction the court shall notify the Department of Revenue and
11 Taxation of such suspension of the person's privilege to drive and confiscate the
12 person's license or permit to operate a motor vehicle. In addition to the required
13 mandatory suspension of a person's license or permit to operate a motor vehicle,
14 the court may impose such additional penalty as may be permitted by law for
15 conviction of a misdemeanor.”

16 **Section 7.** § 18121. of Article 1, Chapter 18 of Title 16, Guam Code
17 Annotated is hereby *amended* to read:

18 **“§ 18121. Possession of Opened Container in a Motor Vehicle.**

19 (a) It shall be a misdemeanor for any person to transport or possess in any
20 moving vehicle upon a public highway, street or alley any alcoholic beverage, or
21 any intoxicating beverage, except in the original container which shall not have
22 been opened and from which the original cap or seal shall not have been removed,
23 unless the opened container be in a sealed, secured or rear compartment not
24 accessible to the driver or any other person in the vehicle while it is in motion. Any
25 person violating the provisions of this Section and its Subsections shall be deemed
26 guilty of a misdemeanor.

1 (b) The provisions of Subsection (a) of this Section shall not apply to the
2 passenger area of a bus or limousine provided the operator is enclosed within a
3 driver's compartment not accessible to passengers, clients or customers where
4 alcohol is present while the vehicle is in motion.

5 (c) No employee, driver or agent of any limousine or bus company shall
6 consume, nor be permitted to consume, any alcoholic beverage while on duty.

7 (d) Unless authorized by license and as prescribed by the Alcoholic
8 Beverage Control Board by regulation, no alcoholic beverage shall be sold, offered
9 or consumed by any person within the premises of any limousine or bus. Each
10 limousine and bus authorized by this Act to sell, offer or allow alcoholic beverage
11 within the premises of the limousine or bus shall be individually licensed and shall
12 be required to display such license within the limousine or bus. The license shall
13 include the vehicle identification number of the vehicle.

14 (e) No alcoholic beverages shall be sold, offered or consumed by any person
15 within the premises of any limousine or bus, except during hours prescribed by the
16 Alcoholic Beverage Control Board.

17 (f) The exemption in Subsection (b) of this Section shall not apply if any
18 passenger is a minor below the age of ~~eighteen (18)~~ twenty one (21)
19 unaccompanied by a parent or legal guardian. It shall be the duty of the driver of
20 the vehicle to verify the age of all passengers.

21 (g) As used in this Section:

22 (1) 'Bus' means a vehicle chartered for transportation of persons for
23 hire. It shall not mean a school bus transporting children, open vehicles
24 resembling trolleys, or a vehicle operated pursuant to a public or private
25 franchise operating over a regularly scheduled route; and

1 (2) 'Limousine' means a chauffeur-driven motor vehicle, other than a
2 bus or taxicab, designed and used for transportation of persons for
3 compensation."

I MINA'TRENTA NA LIHESLATURÁN GUÁHAN
2010 (SECOND) Regular Session

Bill No. 400-30(COV)

Introduced by:

Adolpho B. Palacios, Sr.

2010 MAY 25 AM 11:22
K.W.

AN ACT TO ADD A NEW PARAGRAPH (i) TO §44108 OF
CHAPTER 44 OF TITLE 22 OF THE GUAM CODE
ANNOTATED RELATIVE TO THE "TAX CREDIT FOR
APPRENTICESHIP PROGRAM PARTICIPANTS".

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent.

3 *I Liheslaturan Guahan* finds that Public Law 28-142, was signed into law on July
4 18, 2006 and codified as the "Guam Registered Apprenticeship Program" (22 GCA 44).
5 The intent of the law is to reduce the shortage of highly skilled workers, encourage
6 employers to hire and train apprentices in the highly skilled trades and occupations. *I*
7 *Liheslaturan Guahan* further finds that it is to authorize tax credit for certain long term
8 apprenticeship training expenses and to ensure that apprentices continue to pay taxes
9 and participate in the economy. It is the intent of *I Liheslaturan Guahan* to ensure that all
10 employees receive credit for only the maximum hours listed in their respective
11 Apprenticeship Standards.

12 Section 2. A new paragraph (i) is hereby *added* to § 44108 of Chapter 44 of Title
13 22 of the Guam Code Annotated to read:

1 **“§ 44108. Tax Credit for Apprenticeship Program Participants.**

2 Any business that employs apprentices duly enrolled and registered under the terms of
3 the Program is entitled to a tax credit against its business privilege tax liability equal to
4 fifty percent (50%) of the eligible training costs paid or incurred by the business,
5 provided that:

6 (a) The apprenticeship training program teaches an occupation on the approved
7 occupational list compiled pursuant to § 44104 of this Chapter;

8 (b) The apprentice completes a training stage of an apprenticeship program as
9 determined by DOL following BAT standards. *No* tax credit shall be claimed by a
10 program participant for an apprentice unless the apprentice satisfactorily completes the
11 current level of training;

12 (c) The tax credit is restricted to eligible training costs incurred during the
13 apprentice’s participation in the Program.

14 (d) No business or program participant holding a Qualifying Certificate (QC)
15 shall claim tax credits pursuant to this Section. The Guam Economic Development and
16 Commerce Authority shall assist the Director in determining whether a business may
17 claim the credit;

18 (e) The apprentice must work a minimum of one hundred and twenty (120)
19 hours per month at the trade;

1 (f) The apprentice must be paid the prevailing wage required by the Program,
2 which shall be a graduated percentage of journeyman wages for that particular trade as
3 determined by the Director;

4 (g) Pre-apprentices are *not* counted as apprentices and wages earned by pre-
5 apprentices are *not* eligible for this tax credit; and

6 (h) Apprenticeship training costs paid by Work Incentive Act (WIA) funds,
7 Department of Labor Manpower Development Fund (MDF) funds, Hotel/Restaurant
8 Industry Training Program funds, and any training costs paid by government of Guam
9 or federal funding shall *not* be eligible Program costs and shall *not* be applied as a tax
10 credit. A program participant may carry forward the tax credit when the credit exceeds
11 the total amount of its business privilege tax liability within the applicable tax period.
12 Tax credits may be carried forward until exhausted.

13 (i) Total number of work process hours claimed for each apprentice shall not
14 exceed the term for the occupation delineated in the sponsor/employer's
15 Apprenticeship Standards as approved by the U.S. Department of Labor's Employment
16 and Training Administration, Office of Apprenticeship. "

17 **Section 3. Severability.** *If any provision of this Act or its application to any*
18 *person or circumstance is found to be invalid or contrary to law, such invalidity shall*
19 *not affect other provisions or application of this Act which can be given effect without*

- 1 the invalid provisions or application, and to this end the provisions of this Act are
- 2 severable.

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session

Bill No. 30-173 (cor)

Introduced by:

Telo Taitague
E. B. Calvo

2009 JUL -8 PM 2:14
MUN

Section 111.A.2

**AN ACT TO ADD A NEW ARTICLE 6 TO CHAPTER 6 4GCA
RELATIVE TO THE PERSONNEL EMPLOYED FOR THE PURPOSE
OF ENFORCING THE GUAM TERRITORIAL INCOME TAX LAW.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. A new Article 6 is *added* to Chapter 6 of 4GCA to read as follows:

Article 6

**Compensation of Personnel That Enforce
The Guam Territorial Income Tax**

§6601. Legislative Intent. *I Liheslaturan Guåhan* finds that the United States *Internal Revenue Code* is one of the most complex set of laws every created. The *Guam Territorial Income Tax Law* created by Section 1421h of the Organic Act is identical to the *Internal Revenue Code*. As such, the job descriptions of certain personnel employed by the Guam Department of Revenue and Taxation tasked with the operation, enforcement, and interpretation of The *Guam Territorial Income Tax Law* are identical in every way to their counterparts employed by the Internal Revenue Service.

1 *I Liheslatura* further finds that Income Taxes derived from the operation of the *Guam*
2 *Territorial Income Tax Law* make up the single largest source of Revenues for the
3 Government of Guam. Over the years, Government Officials charged with the collection of
4 income taxes have noticed frequent declines and stagnation of General Fund revenues.
5 These officials often attribute these loses to the Department of Revenue and Taxation's
6 difficulty with recruiting and retaining Revenue Agents, Officers, Tax Attorneys and
7 Criminal Investigators.

8
9 It is the intent of *I Liheslatura* to provide the Department of Revenue with similar tools
10 utilized by the United States Internal Revenue Service for the recruitment, compensation
11 and retention of Income Tax Personnel.

12
13 **§6602. Pay Plan.** The Department of Administration shall create a pay plan, separate and
14 apart from pay plan authorized by Article 2 of this Chapter for the following position at the
15 Department of Revenue and Taxation related to the enforcement of the provisions of the
16 *Guam Territorial Income Tax* (48 U.S.C.: 1421i)

17
18 **§6603. Applicable Positions.** The pay plan created by §6602 of this Chapter shall apply to
19 those positions that are *substantially similar* to following classes of positions within the
20 Internal Revenue Services of the United States Department of the Treasury. These
21 positions include but are not limited to the following:

- 22
23 (a) Accounting/Business/Finance Positions including the following:
24 Internal Revenue Agent
25 Internal Revenue Agent, Entry Level
26 Sr. Internal Revenue Agent, Large and Mid-Size Business Division
27 Internal Revenue Officer
28 Tax Specialist

- 1 Sr. Tax Specialist
- 2 Tax Compliance Officer
- 3 Appeals Officer
- 4 Contact Representative
- 5 Engineer (Internal Revenue Service)
- 6 Tax Examiner

7 (b) Tax Law Specialist positions

8 (c) IRS Criminal Investigation (CI) Special Agent Positions

9 For purposes of this Chapter, jobs that are *substantially similar* are such jobs where more
10 than Seventy five percent (75%) the work in a forty (40) hour work week is devoted to the
11 enforcement of the *Guam Territorial Income Tax/ United States Internal Revenue Code*.

12
13 **§6604. Inapplicable Positions.** The pay plan created by §6602 of this Chapter shall *not*
14 apply to any position within the Department of Revenue and Taxation or other agency of
15 the Government of Guam that is not *substantially similar* to the enforcement of the *Guam*
16 *Territorial Income Tax/ United States Internal Revenue Code*.

17
18 **§6605. Compensation Schedules, Practices and Policies.** Notwithstanding the
19 provisions of Article 2 of this Chapter, the Department of Administration shall create and
20 adopt compensation schedules, recruitment practices and retention policies of the *United*
21 *States Internal Revenue Service* for positions described in §6603 of this Chapter for
22 *substantially similar* positions at the Department of Revenue and Taxation.

23
24 **§6606. Authorization to Add to Personnel Rules and Regulations.** Where, warranted;
25 the Civil Service Commission is authorized, in a manner consistent with Public Law, to
26 add new rules and regulations to the Government of Guam Personnel Rules and
27 Regulations. The Civil Service Commission is authorized to limit the scope of such
28 Personnel Rules and Regulations, *supra*, to the positions covered by this Chapter.

**I MINA 'TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) Regular Session**

Bill No. 234-30 (COR)

Introduced By:

T.R. MUÑA-BARNES
E.J.B. CALVO

2009 SEP 21 PM 5:00

AN ACT TO TRANSFER SEVEN MILLION DOLLARS (\$7,000,000) HELD BY THE GUAM HOUSING CORPORATION TO THE GENERAL FUND TO FUND THE APPROPRIATION TO THE DEPARTMENT OF REVENUE AND TAXATION FOR THE PURPOSE OF STRENGTHENING ITS COLLECTION AND COMPLIANCE FUNCTIONS.

BE IT ENACTED BY PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan*

Finds that the Department of Revenue and Taxation (DRT) is charged with enforcing the tax laws of Guam and the collection of revenues. The government of Guam's FY2009 annual General Fund budget amounted to \$520,721,797. Approximately 90% of this budget is derived from tax collections. The Department of Revenue and Taxation is the government agency tasked with ensuring that these taxes are assessed and collected. The enactment of P.L. 30-55, also known as the "General Appropriations Act of 2010" estimated \$545,301,145 available in appropriations for government operations. An estimated revenue projection of \$605,694,837 is expected to be derived from Income and Business

1 Privilege taxes. For many years, the Director of Revenue and Taxation has
2 advised legislative and executive branch leaders that millions of overdue taxes are
3 not being pursued due to the lack of manpower and adequate resources. As recent
4 as the fiscal year 2010 budget hearings, the Rev and Tax director testified that an
5 additional \$7,000,000 is needed to fully fund the department. A November 2008
6 report released by the US Department of Interior's Inspector General, identifies
7 serious problems with our island's Department of Revenue and Taxation. The
8 report estimated that at least \$23 Million Dollars are lost each year in revenues
9 due to the department's lack of resources and employees. The report notes that
10 there are approximately over 6,000 collection active cases within the department
11 and that only 24 revenue officers are handling the load. This equates to about 200
12 cases per revenue officer. The report goes on to note that the department
13 Criminal Investigation Unit employs 3 agents to handle its workload. It has
14 almost been two decades since a tax case on Guam has actually been prosecuted.
15 Most notably is the fact that the department has not had a legal team in place for
16 many years and therefore unable to successfully be guided when dealing with a
17 complex and ever changing tax code. P.L. 30-55 provided provisions that
18 appropriated \$605,467 and \$652,938 to retain necessary personnel and to hire
19 new employees, respectively. However, *I Liheslatura* finds that it should revisit
20 the department's budgetary needs and to address the inherent problems the
21 Department of Revenue and Taxation experiences in fulfilling its mandates. *I*

1 *Liheslatura* finds that the financial condition of the government of Guam are
2 worsened by a weak and under-funded revenue and taxation department. *I*
3 *Liheslatura* further finds that the executive and legislative branches of our
4 government must realize that the Department of Revenue and Taxation is just as
5 essential as health, education and safety of our people. A majority of revenues
6 expended to carry out the functions of the three top priorities of our government
7 is derived from the collection of taxes. *I Liheslatura* further finds that providing
8 the Department of Revenue and Taxation an additional \$7,000,000 for their
9 operations will result in at least \$23,000,000 of additional revenues for the
10 government of Guam, as testified by department director and highlighted by a
11 Department of Interior Inspector Generals report. An increase in revenues to our
12 government coffers will result in our people receiving their tax refunds on a
13 timely manner. An increase in revenue collections will ensure this government
14 does not raise taxes. The ability of the Department of Revenue and Taxation to
15 effectively seek out unpaid taxes and go after the “underground economy” will
16 ensure the monies due the people of Guam are collected. Aside from its
17 responsibilities of collecting taxes, the Department of Revenue and Taxation has
18 also been mandated to carry out several other functions and responsibilities such
19 as: Vehicle Registration, Driver’s License, Guam Identification Cards, Business
20 License, Alcohol Beverage Control, Weights and Measures, and Passports. The
21 department is also the government of Guam’s regulating arm of Insurance,

1 Securities, Savings and Loans, Real Estate Brokers, and Appraisers and Tax
2 Preparers. *I Liheslatura* further finds that the Office of the Public Auditor (OPA)
3 has determined that GHC currently maintains a \$12.8M cash and investments
4 balance. Furthermore, the OPA states that, "Given the General Fund deficit of
5 \$510M, GHC's cash can be a ready source of funds to pay the General Fund
6 obligations...". *I Liheslatura* finds that the most viable option at this juncture
7 would be to mandate the transfer of \$7,000,000 from the GHC "Unrestricted Cash
8 and Cash Equivalents" to the General Fund to fully fund DRT's budgetary needs
9 to effectively fulfill its mandates. The \$12,000,000 surplus that is being held by
10 GHC came as a result of P.L. 26-123, which essentially forgave GHC loan in
11 excess of \$12.5M. Prior to the enactment of P.L. 26-123, the Guam Housing
12 Corporations finances were deteriorating and their projected cash flow was
13 expected to worsen. The 26th Guam Legislature's intent was to ensure the GHC's
14 finances would stabilize and for the corporation to be able to meet its other
15 financial obligations. *I Liheslatura* now finds that the GHC finances have
16 improved and is capable of returning the assistance it once received from the
17 government of Guam. Therefore, it is the intent of *I Liheslaturan Guahan* to
18 provide the adequate level of resources to the Department of Revenue and
19 Taxation for the purpose of ensuring past due taxes are collected and that taxpayer
20 compliance is strengthened. It is further the intent of *I Liheslaturan Guahan* to
21 ensure the Department of Revenue and Taxation reimburses GHC the full

1 \$7,000,000 within a one-year period. *I Liheslatura* further intends to authorize
2 DRT to utilize the additional funding this Act provides to recruit and retain
3 personnel and to purchase new equipment and technology to aide in the collection
4 of at least \$20,000,000 each year. Lastly, it is the intent of *I Liheslatura* to
5 recognize the Department of Revenue and Taxation as Integral component of our
6 government's financial structure and to ensure that it is provided the necessary
7 tools and resources to collect present, past and future financial obligations due to
8 the people of Guam.

9 **Section 2. Transfer of Funds.** Notwithstanding any other provision of law,
10 the sum of Seven Million Dollars (\$7,000,000) shall be transferred from the Guam
11 Housing Corporation's Unrestricted Cash and Cash Equivalents to the General
12 Fund for the purpose of funding the appropriation made in Section 3 of this Act.
13 These funds are not subject to any Governor's transfer Authority.

14 **Section 3. Appropriation to the Department of Revenue and Taxation.**
15 The sum of Seven Million Dollars (\$7,000,000) is hereby appropriated from the
16 General Fund, from the transfer of funds from the Guam Housing Corporation,
17 pursuant to Section 2 of this Act, to the Department of Revenue and Taxation for
18 the recruitment and retention of personnel and for the purchase of equipment and
19 technology for the purpose of effectuating an aggressive tax assessment and
20 collection program. This appropriation shall not be subject to the Governor's
21 transfer authority or the Bureau of Budget and Management's allotment process.

1 The Department of Administration shall release this appropriation for immediate
2 expenditure and encumbrance of the DRT based on the Disbursement Schedule
3 prepared by the DRT. No funds appropriated in this section shall be held in
4 reserve.

5 **Section 4. Use of additional funds collected.** Prior to any earmarking this
6 Section provides, the \$7,000,000 transferred from GHC to the General Fund shall
7 be reimbursed to GHC no later than 30 September 2010. The additional revenues
8 collected as a result of the aggressive tax collection program shall be earmarked for
9 the reserve for tax refunds. Any portion of the \$7,000,000 not reimbursed by the
10 General Fund to GHC by 30 September 2010 shall be subject to finance charges
11 imposed by GHC.

12 **Section 5. Reporting Requirement.** The Department of Administration
13 shall submit a report to *I Liheslaturan Guahan* on the amount and date of the
14 transfer of funds from the GHC to the General Fund and shall also provide a
15 monthly report on the release of funds, expenditures and encumbrances from
16 appropriations made in Section 3 of this Act.

MINA' TRENTA NA LIHESLATURAN GUAHAN
THIRTIETH GUAM LEGISLATURE
2010 (SECOND) Regular

2010 FEB -3 PM 5:07 EPM

Bill No. 337 -30 (COR)

Introduced by:

FRANK B. AGUON, JR.



AN ACT RELATIVE TO PROVIDING GUAM
MEMORIAL HOSPITAL AUTHORITY A
SECURED FUNDING SOURCE FOR THE
DEDICATED PURPOSE OF REDUCING
OUTSTANDING DEBT SERVICE PAYMENTS, BY
AMENDING §26603(d), THEREBY PROVIDING
FINANCIAL RELIEF IN GMHA'S BORROWING
ABILITY AND SUPPORT IN ITS OPERATIONS.

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

2 **Section 1. Legislative Finding and Intent.** *I Liheslaturan Guahan* finds
3 that the Guam Memorial Hospital Authority (GMHA) is inhibited from seeking
4 alternative long term financing, unless a secured, dedicated funding source can be
5 identified for the sole purpose of debt service and bond payments.

6 It is the intent of I Liheslaturan Guahan to utilize the Healthy Futures Fund
7 (Fund) to create this debt service and bond payment funding source, by allocating a
8 portion of the Fund to the GMHA.

9 **Section 2. Dedication of Funds from the Healthy Futures Fund to**
10 **Guam Memorial Hospital Authority.** Subsection (d) of §26603 of Article 6,
11 Chapter 26, Title 11, Guam Code Annotated, but without change to the
12 accompanying parts, is amended to read:

13 "(d) Creation of the Healthy Futures Fund. There is hereby created
14 the Healthy Futures Fund (Fund) which shall be maintained separate and