

# I MINA'TRENTAI KUÁTTRO NA LIHESLATURAN GUÁHAN

## 2018 (SECOND) Regular Session

### LEGISLATIVE SESSION VOTING RECORD

Resolution No. 312-34 (COR)

Speaker Antonio R. Unpingco Legislative Session Hall  
May 23, 2018

NAME	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
Senator Thomas C. ADA	✓					
Senator FRANK B. AGUON, JR.		✓				
Senator William M. CASTRO		✓				
Speaker Benjamin J.F. CRUZ	✓					
Senator James V. ESPALDON		I ✓				
Senator Fernando Barcinas ESTEVES		✓				
Senator Régine Biscoe LEE		✓				
Senator Tommy MORRISON		✓				
Senator Louise B. MUÑA		✓				
Senator Telena Cruz NELSON					✓	✓
Senator Dennis G. RODRIGUEZ, JR.		✓				
Senator Joe S. SAN AGUSTIN		✓				
Senator Michael F.Q. SAN NICOLAS	✓					
Vice Speaker Therese M. TERLAJE		✓				
Senator Mary Camacho TORRES		III ✓				

<b>TOTAL:</b>	<b>3</b>	<b>11</b>			<b>1</b>	<b>1</b>
	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused

CERTIFIED TRUE AND CORRECT:

  
 \_\_\_\_\_  
 Clerk of the Legislature

I = Pass

***I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN***  
**2017 (FIRST) Regular Session**

**Resolution No. 312-34 (COR)**

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Introduced by:

Michael F.Q. San Nicolas

**Relative to respectfully petitioning the United States Congress, pursuant to 48 USC § 1423k, to enact legislation amending the Organic Act of Guam to include a provision of Guam Public Law 24-222 such that any provision enacted by the Government of Guam that increases the public indebtedness of the Government of Guam by at least Twenty-five Million Dollars (\$25,000,000), backed by the full faith and credit of the Government of Guam, must be approved by a majority of votes cast in an election before any such borrowing may be undertaken, with allowances for a state of emergency if so ratified by a two-thirds (2/3) vote of the Guam Legislature.**

1        **BE IT RESOLVED BY *I MINA'TRENTAI KUÅTTRO NA***  
2        ***LIHESLATURAN GUÅHAN*:**

3        **WHEREAS**, in the Twenty-fourth (24<sup>th</sup>) Guam Legislature, Speaker Mark  
4        Forbes introduced Bill No. 539, which was enacted as Public Law 24-222, appended  
5        hereto as Exhibit 1, that requires locally enacted and administered tax increases and  
6        the issuance of a General Obligation Bond in an amount of greater than Twenty-five  
7        Million Dollars (\$25,000,000) to go into effect only with the approval of the voters  
8        of Guam in a referendum held during an election; and

9        **WHEREAS**, Public Law 24-222 recognizes the need for direct involvement  
10       of the local electorate to make ultimate decisions on the question of substantially

1 increasing the amount of local debt by the government by requiring the approval of  
2 the people for the issuance of any government general obligation bond greater than  
3 Twenty-five Million Dollars (\$25,000,000); and

4 **WHEREAS**, since the enactment of Public Law 24-222, excluding  
5 autonomous and semi-autonomous agency borrowing, the Government of Guam has  
6 borrowed twenty-eight (28) times, with the individual borrowings and borrowed  
7 amounts as follows:

8	<b>Year</b>	<b>Name of Issue</b>	<b>Amount Issued</b>
9	1999	Promissory Note of 1999	\$25,000,000
10	2001	Tobacco Settlement Asset-Backed Bonds, Series 2001 A, B	\$25,477,459
11	2001	LO Highway Refunding Bonds, 2001 Series A	\$51,705,000
12	2001	LO (Section 30) Bonds, Series 2001A	\$76,895,000
13	2002	GO Loan 2002	\$10,000,000
14	2003	LO University of Guam Loan 2003	\$13,500,000
15	2004	GEFF Certificate of Participation, Series 2006 A, B	\$64,895,000
16	2005	Guam Public School System \$6M Line of Credit 2007	\$6,000,000
17	2007	Tobacco Settlement Asset-Backed Bonds, Series 2007A	\$36,982,077
18	2007	GO 2007 Bonds, Series A	\$151,935,000
19	2008	GEFF Certificates of Participation, Series 2008	\$7,520,000
20	2008	GO Loan 2008	\$13,800,000
21	2009	2009 Term Financing	\$20,103,875
22	2009	LO (Section 30) Bonds, 2009 Series A	\$202,425,000
23	2009	GO 2009 Bonds, Series A	\$271,070,000
24	2010	GDOE Certificates of Participation Series 2010A	\$65,735,000
25	2011	GO Guam Memorial Hospital Authority Loan 2011	\$12,000,000
26	2011	LO Hotel Occupancy Tax Revenue Bonds Series 2011A	\$90,665,000
27	2011	LO Business Privilege Tax Bonds Series 2011A	\$235,000,000

1	2012 LO Business Privilege Tax Bonds Series 2012B	\$108,700,000
2	2013 LO Business Privilege Tax Bonds Series 2013C	\$22,640,000
3	2013 GEFf Certificate of Participation 2013 A, B	\$22,818,000
4	<b>Year Name of Issue</b>	<b>Amount Issued</b>
5	2014 GO Guam Legislature Building Loan 2014	\$4,000,000
6	2014 GO Guam Memorial Hospital Loan 2014	\$25,000,000
7	2014 Lease Revenue Bonds, Series 2014	\$107,405,000
8	2015 LO Business Privilege Tax Bonds Series 2015D	\$410,485,000
9	2016 GEFf Certificate of Participation, Series 2016 A, B	\$38,570,000
10	2016 LO (Section 30) Bonds, 2016 Series A	\$236,605,000; and

11       **WHEREAS**, as of March 2017, the Government of Guam owed One Billion  
12 Eighty-two Million Six Hundred Ninety Thousand Forty-five Dollars  
13 (\$1,082,690,045), or about seventy-eight percent (78%) of the Government of  
14 Guam’s Organic Act debt limitation of One Billion Three Hundred Eighty-eight  
15 Million Six Hundred Sixty-three Thousand Nine Hundred Fifty-nine Dollars  
16 (\$1,388,663,959); and

17       **WHEREAS**, the original par amount of the debt counted toward the debt  
18 ceiling totals Eight Hundred Seventy Million Five Hundred Twenty Thousand  
19 Dollars (\$870,520,000), which will cost about One Billion Six Hundred Twenty-five  
20 Million Four Hundred Ninety-five Thousand Twenty Dollars (\$1,625,495,020) over  
21 the lifetimes of each borrowing; and

22       **WHEREAS**, the Government of Guam Retirement Fund has a large unfunded  
23 actuarially-accrued liability, which was One Billion Two Hundred Forty-nine  
24 Million Three Hundred Sixteen Thousand Four Hundred Eighty-seven Dollars  
25 (\$1,249,316,487), as of September 30, 2016; and

26       **WHEREAS**, the borrowing that has been undertaken since the enactment of  
27 Public Law 24-222 demonstrates that the law neither conclusively prevents the

1 Government of Guam from issuing additional bonds of Twenty-five Million Dollars  
2 (\$25,000,000) or greater nor does it effectively constrain the actions taken by the  
3 Government of Guam to authorize additional borrowing without the approval of the  
4 voters; and

5 **WHEREAS**, the Commonwealth of Puerto Rico in recent years has faced a  
6 worsening debt crisis, rising from a per capita debt of Ten Thousand Dollars  
7 (\$10,000) per person in 2005 to Nineteen Thousand Dollars (\$19,000) per person in  
8 2014, an average increase of seven and four-tenths percent (7.4%) per year; and

9 **WHEREAS**, the island of Guam has faced a debt problem similar to Puerto  
10 Rico's, with Guam's per capita debt of Six Thousand Two Hundred Seventy Dollars  
11 (\$6,270) per person in 2005 rising to Fifteen Thousand Three Hundred Twenty-three  
12 Dollars (\$15,323) per person in 2015, an average increase of nine and three-tenths  
13 percent (9.3%) per year, documented in the U.S. Government Accountability Office  
14 excerpt appended hereto as Exhibit 2; and

15 **WHEREAS**, President Barack Obama signed the Puerto Rico Oversight,  
16 Management, and Economic Stability Act (PROMESA) into law on June 30, 2016,  
17 which established an oversight board and a means for restructuring debt and  
18 approving critical infrastructure projects to address the Puerto Rico government debt  
19 crisis, which has resulted in an austerity plan that cuts funding for health care,  
20 pensions, and education; and

21 **WHEREAS**, investors and ratings agencies are more wary of U.S. territories'  
22 debts, with Fitch in part citing the enactment of PROMESA as a concern that  
23 contributed to the downgrade of the Government of Guam Limited Obligations  
24 Business Privilege Tax Bonds (BPT Bonds) from A- with a Stable Outlook to BB  
25 with a Stable Outlook, as documented in Fitch Ratings' release appended hereto as  
26 Exhibit 3; and

1           **WHEREAS**, in addition to PROMESA’s impact on Fitch’s bond rating  
2   downgrade of Guam’s BPT Bonds, Fitch cited weak financial operations, high debt  
3   levels, exceptionally high long-term liabilities, and the Government of Guam’s  
4   inability to “reach and sustain a structurally balanced budget”; and

5           **WHEREAS**, the Government of Guam does not have a locally enacted  
6   constitution and, instead, operates under the Organic Act of Guam, and the  
7   enactment of an amendment to the Organic Act of Guam requiring voter approval  
8   for increase in public indebtedness would prevent any future circumvention of the  
9   peoples’ sovereign authority in that matter; and

10          **WHEREAS**, the enactment of such an amendment would create an additional  
11   safeguard to prevent the Government of Guam from reaching a similar crisis as is  
12   faced by Puerto Rico; now therefore, be it

13          **RESOLVED**, that *I Mina'Trentai Kuåttro Na Liheslaturan Guåhan* does  
14   hereby, on behalf of the people of Guam, respectfully petition the United States  
15   Congress, pursuant to 48 USC § 1423k, to enact legislation amending the Organic  
16   Act of Guam to include a provision of Guam Public Law 24-222, such that any  
17   provision enacted by the Government of Guam that increases the public  
18   indebtedness of the Government of Guam by at least Twenty-five Million Dollars  
19   (\$25,000,000), backed by the full faith and credit of the Government of Guam, must  
20   be approved by a majority of votes cast in an election before any such borrowing  
21   may be undertaken, with allowances for a state of emergency if so ratified by a two-  
22   thirds (2/3) vote of the Guam Legislature; and be it further

23          **RESOLVED**, that the Speaker certify, and the Legislative Secretary attest to,  
24   the adoption hereof, and that copies of the same be thereafter transmitted to the  
25   Honorable Mike Pence, Vice President of the United States; to the Honorable Paul  
26   Ryan, Speaker of the United States House of Representatives; to the Honorable Mark  
27   Forbes, Speaker of the Twenty-eighth (28<sup>th</sup>) and Twenty-ninth (29<sup>th</sup>) Guam

- 1 Legislatures; to the Honorable Madeleine Z. Bordallo, Guam Delegate to the United
- 2 States House of Representatives; and to the Honorable Edward J.B. Calvo, *I*
- 3 *Maga'låhen Guåhan*.

**DULY AND REGULARLY ADOPTED BY *I MINA'TRENTAI KUÁTTRO NA LIHESLATURAN GUÅHAN* ON THE DAY OF MAY 2018.**

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**BENJAMIN J.F. CRUZ**  
Speaker

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**RÉGINE BISCOE LEE**  
Legislative Secretary