I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
4-36 (COR)	James C. Moylan V. Anthony Ada Christopher M. Duenas Frank F. Blas Jr.	AN ACT TO *ADD* A NEW § 24103(c) TO CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO TEMPORARILY SUSPENDING THE ADDITIONAL REAL PROPERTY TAX LEVIED ON IMPROVEMENTS WITH A VALUE OF ONE MILLION DOLLARS ($1,000,000) OR MORE.	1/4/21 11:05 a.m.	1/13/21	Committee on General Government Operations, Appropriations, and Housing			Request: 1/13/21 1/15/21	

Vice Speaker
TINA ROSE MUÑA BARNES
CHAIRPERSON, COMMITTEE ON RULES
I Mina'trentai Sais Na Liheslaturan Guåhan

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January 15, 2021

MEMO

To: **Rennae Meno**
Clerk of the Legislature

From: **Vice Speaker Tina Rose Muña Barnes**
Chairperson, Committee on Rules

Re: **Fiscal Notes**

Buenas yan Håfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 4-36 (COR)
Bill No. 13-36 (COR)
Bill No. 17-36 (COR)
Bill No. 23-36 (COR)
Bill No. 25-36 (COR)
Bill No. 26-36 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.

Bureau of Budget & Management Research
Fiscal Note of Bill No. 4-36 (COR)

AN ACT TO ADD A NEW §24103(C) TO CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO TEMPORARILY SUSPENDING THE ADDITIONAL REAL PROPERTY TAX LEVIED ON IMPROVEMENTS WITH A VALUE OF ONE MILLION DOLLARS ($1,000,000) OR MORE.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Reveue & Taxation	Dept./Agency Head: Dafne M. Shimizu, Director
Department's General Fund (GF) appropriation(s) to date:	$8,945,336
Department's Other Fund (Specify) appropriation(s) to date: Banking and Insurance Enforcement Fund ($479,765), Better Public Service Fund ($1,410,919), Tax Collection Enhancement Fund ($919,948)	$2,810,632
Total Department/Agency Appropriation(s) to date:	$11,755,968

Fund Source Information of Proposed Appropriation	General Fund:	(Specify Special Fund):	Total:
FY 2020 Unreserved Fund Balance		$0	$0
FY 2021 Adopted Revenues	$0	$0	$0
FY 2021 Appro. (P.L. 35-99 thru)	$0	$0	$0
Sub-total:	$0	$0	$0
Less appropriation in Bill	$0	$0	$0
Total:	$0	$0	$0

Estimated Fiscal Impact of Bill	One Full Fiscal Year	For Remainder of FY 2021 (if applicable)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	$0	$0	$0	$0	$0	$0
Territorial Educational Facilities Fund	1/	$0	$0	$0	$0	$0
Total	1/	$0	$0	$0	$0	$0

1. Does the bill contain "revenue generating" provisions? / / Yes / X / No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? / X / N/A / / Yes / / No
If no, what is the additional amount required? $ _____ / X / N/A
3. Does the Bill establish a new program/agency? / X / Yes / / No
If yes, will the program duplicate existing programs/agencies? / / N/A / / Yes / X / No
Is there a federal mandate to establish the program/agency? / / Yes / X / No
4. Will the enactment of this Bill require new physical facilities? / / Yes / X / No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes / X / No
/ / Requested agency comments not received by due date / X / Other: Data pulled from AS400

Analyst: _____ Date: 1/21/21 Director: _____ Date: JAN 21 2021
Jason Baza, BMA Supervisor Lester L. Carlson, Jr., Director

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 4-36 (COR)

The proposed legislation intends to suspend the additional tax levy of seven eighteenths percent (7/18%) on land properties with improvements valued at One Million Dollars ($1,000,000) or more for FY 2021 and FY 2022. The legislation states the suspension of such levy shall be effective retroactively to January 1, 2021. Real property tax levies are deposited into the Territorial Educational Facilities Fund (TEFF).

It should be noted that the additional 7/18% tax levy on properties with improvements valued at $1M or more was incorporated as Section 3, Chapter 1 of P.L. 34-116 (the General Appropriations Act of 2019). However, such section of P.L. 34-116 did not include the language "or more", therefore causing an unintentional narrowing of the scope of the tax levy to properties only valued at exactly $1M. As such, the 35th Guam Legislature passed P.L. 35-01 to include the "or more" language to Section 3, Chapter 1 of 34-116.

The TEFF funds the following departments/programs: debt service for JFK High School and Okkodo High School, Guam Department of Education (GDOE) operations, GDOE mediation services, GDOE school grounds maintenance, GDOE Tiyan lease, debt service for University of Guam Capital Improvements Fund, Guam Community College Capital Improvements Fund, Guam Commission for Educator Certification operations, Department of Public Works bus operations, Guam Public Library System operations, Guam Educational Telecommunications Corporation (PBS Guam) operations, and the Mayors Council of Guam public safety programs.

Prior to passage of P.L. 35-01, the TEFF generated $26.17M in FY 2016, $26.89M in FY 2017, and $29.80M in FY 2018, for an average collection of $27.62M. After passage of P.L. 35-01, the TEFF generated $33.18M in FY 2019 and $34.02M in FY 2020, for an average collection of $33.61M. As such, the additional tax levy on properties valued at $1M or more generates an average variance of $5.98M more for the programs noted above.

Per the December 2020 Special Revenue Fund report, the TEFF is projecting to collect $36.57M in FY 2021, or $1.49M below the adopted level of $38.07M in P.L. 35-99. Should the proposed legislation become law, the shortfall currently projected in the December 2020 Special Revenue Fund report will be further exacerbated by another $5.98M (per the average variance noted above). As such, the Bureau notes that the proposed suspension of the additional tax levy on properties valued above $1M will provide a significant reduction in resources for the departments/programs noted above during both FY 2021 and FY 2022.

TEFF COLLECTION DATA

PRIOR TO PASSAGE OF P.L. 35-01	
Fiscal Year	**Revenue Collected**
2016	$26,169,188.78
2017	$26,896,473.42
2018	$29,801,540.79

FY16 - FY18 Average	**$27,622,401.00**

AFTER PASSAGE OF P.L. 35-01	
Fiscal Year	**TEFF Collections**
FY 2019	$33,188,615.52
FY 2020	$34,022,928.12

FY19 - FY20 Average	**$33,605,771.82**

Average Variance	**$5,983,370.82**

*Data pulled from AS400 Financial System