

I MINA 'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 303 (EC)

Introduced by:

J.V. Espaldon
F.F. Blas, Jr.

2008 MAY 22 PM 2:05
J.V. Espaldon

**AN ACT TO PRIORITIZE THE PAYMENT OF
THE GOVERNMENT OF GUAM'S GENERAL
FUND DEFICIT TO ENSURE THAT THE
PAYMENT FOR STREETLIGHT ARREARAGES
OWED TO THE GUAM POWER AUTHORITY IS
PAID EXPEDITIOUSLY.**

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

2 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* recognizes that a
3 combination of natural disasters and an economic slump in Asia have contributed
4 to a General Fund deficit in excess of \$500 Million dollars. *I Liheslaturan Guåhan*
5 is aware that with the rebound in the Asian economy and the anticipated relocation
6 of Marines from Okinawa to Guam has resulted in an increase in economic activity
7 as well as General Fund revenues as evidenced by the Bureau of Budget &
8 Management Research Revenue and Expenditures report as of April, 2008 which
9 shows a \$25.1 Million dollar increase over 2007 collections for the same period
10 last year. This increase in General Fund revenues does not include the Tens of
11 Millions of dollars which have just begun to be disbursed to island residents under
12 the federal governments' Economic Stimulus Plan. The Tens of Millions of dollars
13 rapidly infused in our local economy will undoubtedly have a correspondingly
14 positive effect on government revenues thus bolstering the position of *I*
15 *Liheslaturan Guåhan* that there will indeed be a sufficiency of funds realized in
16 Fiscal Year 2008 to support the appropriation contained in this Act. *I Liheslaturan*

1 *Guåhan* is aware that a part of the General Fund deficit is the \$12.73 Million owed
2 to the Guam Power Authority for Streetlight arrearages.

3 Therefore, It is the intent of *I Liheslaturan Guåhan* **not** to increase the
4 existing General Fund deficit but instead to prioritize the payment of the deficit in
5 a manner which would not impose base rate increases on the responsible customers
6 of the Guam Power Authority who diligently pay their power bills on a regular and
7 timely basis by ensuring that payment of the Streetlight arrears is the first priority
8 of any payments made to address deficit reduction.

9 **Section 2. Appropriation from General Fund Revenues in Excess of**
10 **Fiscal Year 2008 Projections *Shall First Be Applied to Streetlight Arrears.***

11 Notwithstanding any provision of law to the contrary, *I Maga'lahen Guåhan* is
12 hereby authorized and *shall* pay Streetlight Arrears owed to the Guam Power
13 Authority amounting to \$12.73 Million dollars from projected General Fund
14 Revenues in excess of the \$489,852,490 adopted for Fiscal Year 2008, in order to
15 avert rate increases as ordered by the Public Utilities Commission in PUC Docket
16 07-10 as a First Priority use of said excess revenues.

17 **Section 3. Severability.** If any provision of this Act or its application to
18 any person or circumstances is held invalid, the invalidity shall *not* effect other
19 provisions or applications of this Act which can be given effect without the invalid
20 provision or application, and to this end the provisions of this Act are severable.