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I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY-FIRST GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

September 23, 2011

The Honorable Edward J.B. Calvo
I Maga'lahen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Calvo:

Transmitted herewith are Bill No. 1(4-S) and Bill No. 313-31(COR) which were passed by *I Mina' Trentai Unu Na Liheslaturan Guåhan* on September 23, 2011.

Sincerely,

1838 23 Sep 2011

Rory J. Respicio
Senator and Acting Legislative Secretary

Enclosures (2)

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I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FOURTH) Special Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Bill No. 1 (4-S), "AN ACT TO *AMEND* §§24402, 24404, 24405, 24406 AND 24407 OF ARTICLE 4, CHAPTER 24 OF DIVISION 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE REAL PROPERTY TAX PROVISIONS; TO *AMEND* SUBSECTION (c) §1512.3, AND TO *ADD* A NEW ITEM (4) TO §1512.3(a) OF ARTICLE 5, CHAPTER 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE GENERAL OBLIGATION BOND AUTHORIZATION,"** was on the 23rd day of September, 2011, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Rory J. Respicio
Acting Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 23 day of SEP, 2011, at 6:38 o'clock PM.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FOURTH) Special Session

Bill No. 1 (4-S)
As amended by the Committee of the Whole.

Introduced by: Committee on Rules, Federal, Foreign, & Micronesian Affairs, and Human & Natural Resources, by request of *I Maga'lahen Guåhan,* the Governor of Guam, in accordance with the Organic Act of Guam.

AN ACT TO *AMEND* §§24402, 24404, 24405, 24406 AND 24407 OF ARTICLE 4, CHAPTER 24 OF DIVISION 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE REAL PROPERTY TAX PROVISIONS; TO *AMEND* SUBSECTION (c) §1512.3, AND TO *ADD* A NEW ITEM (4) TO §1512.3(a) OF ARTICLE 5, CHAPTER 1, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE GENERAL OBLIGATION BOND AUTHORIZATION.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Amendment of Real Property Tax Provisions.

(a) **Intent of Amendments.** The intent of the amendments made by this Section is to allow for the assessment of real property taxes on that portion of real property otherwise exempted by the Home Tax Exemption, but to ensure that real property taxpayers *shall* have the same amount of liability to the government of Guam after the effectiveness of the amendments as they did before such effectiveness, and the amended sections *shall* be administered consistent with that intent.

(b) **Amendments.** §§24402, 24404, 24405, 24406 and 24407 of Article 4, Chapter 24 of Division 2, Title 11, Guam Code Annotated, are hereby *amended* to read as follows:

"**§ 24402. Home Tax Exemption.**

The owner of a home *shall* pay a real property tax on the value of the improvements at a rate equal to the rate that would otherwise apply pursuant to §24103 or §24110, as applicable, times the ratio of (i) the appraised value of the improvements minus Fifty Thousand Dollars ($50,000.00) (but not less than zero), divided by (ii) the appraised value of the improvements; and *shall* pay a real property tax on the value of the land at a rate equal to the rate that would otherwise be applicable pursuant to §24103 or §24110 times the ratio of (i) the appraised value of the land minus the excess, if any, of Fifty Thousand Dollars ($50,000.00) over the appraised value of the improvements (but not less than zero), divided by (ii) the appraised value of the land. Those taxpayers who previously qualified for home tax exemptions *shall* automatically qualify for the rates contained herein."

"**§ 24404. Limitation.**

The rates provided by §24402 *shall not* be allowed for more than one (1) home for any one (1) owner."

"**§ 24405. Same: Husband and Wife.**

A husband and wife *shall* be permitted one (1) home subject to the rates provided in §24403, where entitled thereto, whether the home is community property or not, and *shall not* be permitted those rates for separate homes for each of them, *unless* they are living

separate and apart, in which case the amount of the exemption *shall* be divided equally between them."

"**§ 24406. Same: Commercial Use.**

A person whose home comprises property that is used in part for commercial purposes *shall not* be entitled to the rates provided by §24402, *except* as to a building, or a separate portion thereof or apartment therein, that is exclusively used and occupied by him or her as his or her permanent residence; provided, further, that in the case of a separate portion or apartment, the amount of the exemption *shall* be prorated on the basis that the appraised value of the separate portion or apartment bears to the total appraised value of the building."

"**§ 24407. Same: Ownership in Common.**

Where property is owned in common, the Fifty Thousand Dollars ($50,000) amount provided in the formulas in §24402 *shall* be prorated among the owners."

Section 2. Amendment of General Obligation Bond Authorization. Subsection (c) of §1512.3 of Article 5, Chapter 1 of Title 5, Guam Code Annotated, is hereby *amended* to read as follows:

"(c) Valid and Binding General or Limited Obligations. The certificate or indenture pursuant to which the bonds authorized by this Section are issued *shall* provide that the bonds constitute the valid and legally binding general or limited obligations of the government of Guam payable from the sources described in the certificate or indenture. If and to the extent that the bonds are general obligation bonds, (i) the government of Guam pledges its full faith and credit for the punctual payment of both principal of and interest on the bonds and covenants that there *shall* be collected annually in the same manner and at the

same time as government revenue for other purposes is collected, such sum as is required to pay the principal of and interest on the bonds; and (ii) there are hereby appropriated from the General Fund such sums as may be necessary in each year, in addition to the amounts appropriated under Subsection (d)(2) of this Section to equal the amount of money necessary to pay the principal and interest on such bonds. All officers charged by law with any duty in the collection of the revenues of the government from which debt service on the bonds will be payable *shall* do every lawful thing necessary to collect such sum. The validity of any such bonds *shall not* be affected by the validity or regularity of any proceedings for the payment of the expenses paid or to be paid with the proceeds of the bonds."

Section 3. A new Item (4) is *added* to §1512.3(a) of Article 5, Chapter 1 of Title 5, Guam Code Annotated, to read as follows:

"(4) *I Maga'lahen Guåhan shall* utilize the 2011 Real Property Tax Assessment Roll as certified by the Board of Equalization in accordance with §24518 of Chapter 24, Title 11, Guam Code Annotated, in calculating the amount available for future debt obligation under the Debt Limit (Ceiling) for the bond issuance authorized in this §1512.3(a) of Article 5 of Chapter 1 of Title 5, Guam Code Annotated."