



COMMITTEE ON RULES

I Mina'trentai Unu na Liheslaturan Guåhan • The 31st Guam Legislature

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July 18, 2012

MEMORANDUM

To: Pat Santos
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio
Majority Leader & Rules Chair

Subject: Referral of Bill Nos. 489-31 (COR) & 490-31 (COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of Bill Nos. 489-31 (COR) and 490-31 (COR).

Please ensure that the subject bills are referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Unu na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

(2) Attachment

I Mina'Trentai Unu Na Liheslaturan Guahan

Bill Log Sheet

BILL NOS.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	120 DAY DEADLINE	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	STATUS
489-31 (COR)	T.C. Ada, R.J. Respicio, A.B. Palacios	AN ACT TO REPEAL §22421 OF CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE TRANSFER OF AUTONOMOUS AGENCY REVENUES TO THE AUTONOMOUS AGENCY COLLECTIONS FUND	7/17/2012 1:33pm	7/18/2012		Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement and Land			

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2012 (SECOND) Session

2012 JUL 17 PM 1:30
Law

Bill No. 499, 31 (COR)

Introduced by:

T.C. Ada
R.J. Respicio
A.B. Palacios

**AN ACT TO REPEAL §22421 OF CHAPTER 22, TITLE 5, GUAM
CODE ANNOTATED, RELATIVE TO THE TRANSFER OF
AUTONOMOUS AGENCY REVENUES TO THE AUTONOMOUS
AGENCY COLLECTIONS FUND**

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Intent.** *I Liheslaturan Guåhan* finds that §22421 of
2 Chapter 22, Title 5, Guam Code Annotated, established by Public Law 18-15, mandates
3 the A. B. Won Pat International Airport Authority of Guam (GIAA), Jose D. Leon
4 Guerrero Commercial Port of Guam (PAG), and the Guam Power Authority (GPA) each
5 pay into the General Fund an annual amount of \$875,000 as “payment-in-lieu-of-taxes”
6 (PILOT). The intent of P.L. 18-15 was that because these autonomous agencies are
7 public corporations that do not pay taxes to GovGuam, the assessment was intended as
8 reimbursement to the General Fund for benefits they receive “...*from services provided*
9 *by the General Fund, such as police and fire protection, road systems, and other*
10 *governmental facilities.*” P.L. 18-15 presumes that GIAA, PAG, and the GPA have
11 “*surplus funds*” to draw from to reimburse the General Fund, funds that are excess to the
12 needs of the organization. This presumption is incorrect.

13 *I Liheslaturan Guåhan* further finds that while P.L. 18-15 was signed into law in
14 1985, the requirement to pay the PILOT was not enforced until 2011. In that year,

1 following the issuance of a Department of Administration billing for \$12,250,000,
2 representing 14 assessments of \$875,000 between Fiscal Year 1998 and Fiscal Year
3 2011, a settlement was reached between the Guam Power Authority and the Government
4 of Guam to pay a one-time amount of \$2,625,000 (for the periods FY'09 to FY'12) to
5 resolve all past-due amounts, and to continue paying \$875,000 annually for Fiscal Year
6 2012 and any future year for which the PILOT requirement remains in effect. A similar
7 demand was made to the Port Authority and to the Guam International Airport.

8 *I Liheslaturan Guåhan* finds that the autonomous agencies treat the PILOT
9 assessment as part of its total operating expenses. Inevitably, these expenses must be
10 offset, through rate increases that get passed on to ratepayers. This is evidenced by the
11 Petition submitted by GPA to the Public Utilities Commission (see Docket No. 11-08).
12 These rate payers are also tax payers and are therefore being double taxed.

13 *I Liheslaturan Guåhan* finds that the rising cost of services provided by these
14 autonomous agencies are a burden to the community, and that P.L. 18-15 must be
15 repealed to provide relief.

16 **Section 2. §22421 of Title 5, Chapter 22, of the Guam Code Annotated is**
17 **hereby repealed.**

18 §2241 of Title 5, Chapter 22 of the Guam Code Annotated, entitled Transfer of
19 Autonomous Agency Revenues to Autonomous Agency Collections Fund, is hereby
20 *repealed* in its entirety. To the extent the Government of Guam pursuant to 5 GCA
21 §22421 has assessed this tax on the affected autonomous agencies, consisting of the
22 Guam Power Authority, the Jose D. Leon Guerrero Commercial Port of Guam and the
23 A.B. Won Pat International Airport Authority, any such prior assessment of this tax *shall*

1 be null and void as of the effective date of this legislation, and *shall* be uncollectable
2 from the affected autonomous agencies.

3 **Section 3. Severability.**

4 *If* any provision of this Law or its application to any person or circumstance is
5 found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or
6 applications of this Law which can be given effect without the invalid provisions or
7 application, and to this end the provisions of this Law are severable.

I Mina'Trentai Unu Na Liheslaturan Guahan

Bill Log Sheet

BILL NOS.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	120 DAY DEADLINE	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	STATUS
490-31 (COR)	The Committee on Rules, Federal, Foreign & Micronesian Affairs, and Human & <u>Natural Resources</u> by request of / <i>Maga'Lahen Guåhan</i> in accordance with the Organic Act of Guam	AN ACT TO REPROGRAM THE SUM OF THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$375,000.00) TO THE DEPARTMENT OF PUBLIC WORKS FOR THE PAVING OF VILLAGE STREETS AND THE REPAIR OF DAMAGES TO VILLAGE STREETS AS A RESULT OF TRAFFIC DIVERSION RELATED TO ONGOING ROAD CONSTRUCTION PROJECTS.	07/17/12 5:16 p.m.	7/18/2012		Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement and Land			

I MINA'TRENTAI UNU NA LIHESLATURAN GUAHAN
2012 (SECOND) Regular Session

2012 JUL 17 PM 5:16

Bill No. 490-31 (COR)

Introduced by:

Committee on Rules, Federal, Foreign & Micronesian Affairs, and Human & Natural Resources

by request of *I Maga'lahaen Guahan*, the Governor of Guam, in accordance with the Organic Act of Guam

AN ACT TO REPROGRAM THE SUM OF THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$375,000.00) TO THE DEPARTMENT OF PUBLIC WORKS FOR THE PAVING OF VILLAGE STREETS AND THE REPAIR OF DAMAGES TO VILLAGE STREETS AS A RESULT OF TRAFFIC DIVERSION RELATED TO ONGOING ROAD CONSTRUCTION PROJECTS.

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

2 **Section 1. Appropriation to the Department of Public Works for Various**
3 **Road Repairs.** The sum of Three Hundred Seventy Five Thousand Dollars
4 **(\$375,000.00)** is hereby appropriated from the balance of the appropriations contained
5 §1513 of Article 5, Chapter 1 of Title 5, Guam Code Annotated, to the Department of
6 Public Works for said purposes.

7 **Section 2. Additional Authorizations.** Of the amounts appropriated in
8 Section 1 of this Act, *not less than:*

9 (a) Three Hundred Forty Five Thousand Dollars **(\$345,000.00)** is
10 reserved for Roy T. Damian Street, aka Route 33
11 Mongmong/Toto/Maite, for spot repair of street damage caused by

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heavy travelers' use to bypass the major construction work in
Hagatna.

(b) Thirty Thousand Dollars (**\$30,000.00**) is reserved for Mamis
Street, Mangilao for the paving of a portion of a second lane to be
installed.

(c) The funds identified herein *shall* be applied *solely* for the purposes
set forth.