I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

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

This is to certify that **Bill No. 257-32 (COR), "AN ACT TO *AMEND* § 4107 OF CHAPTER 4, TITLE 5, GUAM CODE ANNOTATED; TO *AMEND* SECTIONS 5 AND 6 OF PUBLIC LAW 30-37; TO *AMEND* SECTION 7 OF PUBLIC LAW 31-76; AND TO *AMEND* § 1107(g) OF CHAPTER 1, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ENHANCING *I MAGA'LAHEN GUÅHAN'S* COMPREHENSIVE PROGRAM AND FINANCIAL PLAN THROUGH IDENTIFYING THE GUAM DEPARTMENT OF EDUCATION APPROPRIATIONS, AND TO INCREASE TRANSPARENCY, ACCOUNTABILITY, AND PLANNING IN THE BUDGET REPORTING OF TAX CREDITS,"** was on the 3rd day of February, 2014, 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 4th day of Feb, 2014, at 12:28 o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Bill No. 257-32 (COR)
As amended on the Floor.

Introduced by: Vicente (ben) C. Pangelinan
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
B. J.F. Cruz
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
R. J. Respicio
Dennis G. Rodriguez, Jr.
Michael F. Q. San Nicolas
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

AN ACT TO *AMEND* § 4107 OF CHAPTER 4, TITLE 5, GUAM CODE ANNOTATED; TO *AMEND* SECTIONS 5 AND 6 OF PUBLIC LAW 30-37; TO *AMEND* SECTION 7 OF PUBLIC LAW 31-76; AND TO *AMEND* § 1107(g) OF CHAPTER 1, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ENHANCING *I MAGA'LAHEN GUÅHAN'S* COMPREHENSIVE PROGRAM AND FINANCIAL PLAN THROUGH IDENTIFYING THE GUAM DEPARTMENT OF EDUCATION APPROPRIATIONS, AND TO INCREASE TRANSPARENCY, ACCOUNTABILITY, AND PLANNING IN THE BUDGET REPORTING OF TAX CREDITS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that it is imperative that *I Maga'lahen Guåhan's* comprehensive program and

financial plan, also known as the Executive Budget Request or "budget document," include details of *I Maga'lahen Guåhan's* proposed appropriation levels of the education agencies of the government of Guam. Such knowledge of *I Maga'lahen Guåhan's* level of funding to the education agencies of the government of Guam is paramount to the ability for the public and *I Liheslaturan Guåhan* to ascertain *I Maga'lahen Guåhan's* intent to prioritize the education agencies of the government of Guam.

I Liheslaturan Guåhan further finds that the FY 2014 Executive Budget Request *did not* delineate the specific appropriation amounts to the Guam Department of Education (GDOE) and that such omission of the detailed amounts that *I Maga'lahen Guåhan* intended on providing these education agencies hampers *I Liheslatura's* ability to properly plan and prepare the *General Appropriations Act* of each fiscal year. Collectively, the appropriations to these education agencies represent a significant percentage of the entire government of Guam funds available to appropriate, and it is *not* prudent to leave *I Liheslaturan Guåhan* to read *I Maga'lahen Guåhan's* mind to determine his priorities.

I Liheslaturan Guåhan further finds that the authorization and awarding of tax credits diminishes *I Liheslatura's* ability to most accurately estimate revenues every fiscal year, which hampers the ability to prioritize funding for the education agencies, and other departments and agencies of the government of Guam.

Therefore, *I Liheslaturan Guåhan* intends on enhancing the requirements of *I Maga'lahen Guåhan* in producing and transmitting his Executive Budget Request to *I Liheslatura* by mandating the delineation of the appropriation amounts to the GDOE and the identification of tax credits, from Fiscal Years 2015 and so forth.

Section 2. § 4107, Chapter 4, Title 5, Guam Code Annotated, is hereby *amended* to read:

"**§ 4107. *I Maga'lahi's* (the Governor's) Recommendation.**

(a) *I Maga'lahi* (the Governor) *shall* formulate the program and financial plan to be recommended to *I Liheslatura* (the Legislature) after considering the government of Guam agency proposed program and financial plans, and other programs and alternatives that he deems appropriate. The plan *shall* include his recommended goals and policies, recommended plans to implement the goals and policies, recommended budget for the succeeding fiscal year and recommended revenue measures to support the budget.

(b) *I Maga'lahi shall* present the proposed comprehensive program and financial plan in a message to *I Liheslatura not later than* January 31 prior to each fiscal year. If *I Maga'lahi* is in the first year of his first term or an additional non-consecutive term, then the message *shall* be presented *not later than* April 8 of that same year. The message *shall* be accompanied by a budget document which *shall* contain *I Maga'lahi*'s recommended goals, plans and appropriations. The budget document *shall* be furnished to each Member of *I Liheslatura*, and each department or agency of the government. The budget document *shall* contain the following information:

(1) The coordinated program goals and objectives that *I Maga'lahi* recommends to guide the decisions on the proposed program plans and budget appropriations;

(2) The program and budget recommendations of *I Maga'lahi* for the succeeding fiscal year, which *shall* delineate the program and budget recommendations of *I Maga'lahi* for the Guam Department of Education among the other line and semi-autonomous agencies of the government of Guam;

(3) A summary of the government of Guam's receipts in the last fiscal year, a revised estimate for the current fiscal year, and an estimate for the succeeding year;

(4) A summary of expenditures during the last fiscal year, those estimated for the current fiscal year and those recommended by *I Maga'lahi* for the succeeding fiscal year;

(5) Drafts of appropriation bills and revenue measures; and

(6) Any additional information which will facilitate understanding of *I Maga'lahi's* proposed program and financial plan by *I Liheslatura* and the public.

(c) After delivery of *I Maga'lahi's* message, the bills incorporating his recommendations may be introduced in *I Liheslatura* in accordance with the provisions of its Standing Rules.

(d) Revised Revenue Estimate. By July 15 of every calendar year, I *Maga'lahen Guåhan shall* provide to the Speaker of *I Liheslaruran Guahan* a revised revenue estimate for the subsequent fiscal year that will incorporate revenue data for the first six months of the current fiscal year.

Section 3. Section 7 of Public Law 31-76 is hereby *amended* to read as follows:

"**Section 7.** Section 4 of Public Law 30-37 is hereby *repealed.*"

Section 4. Section 6 of Public Law 30-37 is hereby *amended* to read:

"**Section 6. Inclusion in *I Maga'lahi's* Annual Budget Request.** *I Maga'lahen Guåhan shall,* in each fiscal year's budget submission to *I Liheslatura,* account for the annual amount of tax credits, rebates, and offsets used for the purposes stated in this Act. *I Maga'lahen Guåhan shall not* exceed the annual amount of tax credits, rebates, and offsets used for the

purposes stated in this Act, identified and authorized in each fiscal year's *General Appropriations Act.*"

Section 5. Section 5 of Public Law 30-37 is hereby *amended* to read:

"**Section 5. Report.** The Guam Economic Development Authority (GEDA) *shall* submit quarterly reports to *I Maga'lahen Guåhan*, *I Liheslaturan Guåhan* and the Office of Public Accountability detailing the impact of this Act on the business privilege taxes, and a quarterly written report to include a list of lessor(s) utilizing, transferring, or assigning tax credits, by the amount of tax credits utilized, transferred, or assigned by the lessor(s), by the month the tax credit was utilized, transferred, or assigned by the lessor(s), by the lessor(s) business license number(s) and company name(s), and if tax credits were transferred and/or assigned by the lessor(s), by tax credit recipient or recipients' business license number(s) and company name(s), until the amount of the tax credit is fully exhausted. Both quarterly reports *shall* be due *no later than* fifteen (15) days after the end of each fiscal year quarter."

Section 6. § 1107(g), Chapter 1 of Title 11, Guam Code Annotated, is hereby *amended* to read:

"(g) *Shall* submit an annual report by July 15th of each year detailing all transactional information and amounts of any tax credits, rebates, abatements and offsets used from July 1 of each preceding year through June 30 of the following year to the Office of Finance and Budget, the Speaker of *I Liheslaturan Guåhan* and *I Maga'lahen Guåhan*. Such annual report *shall* detail the following:

(1) For tax credits, a list of tax credit recipients' company name and business license number by the dollar amount of tax credits requested, by the dollar amount of tax credits claimed and authorized

by the Department of Revenue and Taxation, by date of the letter requesting the tax credit, by the date such letter was received by the Guam Economic Development Authority, by the date such letter was received by the Department of Revenue and Taxation, by the month the tax credit was claimed, and by the public law and/or section in the Guam Code Annotated from which the Department of Revenue and Taxation authorized such tax credit(s). The Department of Revenue and Taxation *shall* identify all tax credits transferred or assigned that were authorized pursuant to Public Law 30-37, as amended, in such annual report, by business license number, company name, and the business license and company name from which tax credits were transferred or assigned; and

(2) For rebates, abatements, and offsets, a list of tax credit recipients' company name and business license number by the dollar amount of tax rebates, abatements, and offsets authorized by the Department of Revenue and Taxation, and by the public law and/or section in the Guam Code Annotated from which the Department of Revenue and Taxation authorized such tax rebates, abatements, and offsets."

Section 7. Public Law 30-37 Tax Credit Reporting Requirements. The Administrator of the GEDA *shall* submit a written report pursuant to the detailed reporting requirements in Section 5 of Public Law 30-37 for the following periods:

(a) June 30, 2009 through September 30, 2010;

(b) October 1, 2010 through September 30, 2011;

(c) October 1, 2011 through September 30, 2012;

(d) October 1, 2012 through September 30, 2013;

(e) October 1, 2013 through September 30, 2013; and

(f) October 1, 2013 through December 31, 2013.

The written report required by this Section *shall* be submitted to the Speaker of *I Liheslaturan Guåhan no later than* thirty (30) days after the enactment of this Act.

Section 8. Annual Tax Credit Report. The Director of the Department of Revenue and Taxation *shall* submit an annual tax credit report pursuant to the detailed reporting requirements in § 1107(g) (1) and (2) of Chapter 1, Title 11 of the Guam Code Annotated, for the following periods:

(a) July 1, 2009 through June 30, 2010;

(b) July 1, 2010 through June 30, 2011;

(c) July 1, 2011 through June 30, 2012;

(d) July 1, 2012 through June 30, 2013; and

(e) July 1, 2013 through December 31, 2013.

The annual tax credit report required by this Section *shall* be submitted to the Speaker of *I Liheslaturan Guåhan no later than* thirty (30) days after the enactment of this Act.

Section 9. Effective Date. This Act *shall* be effective upon enactment.

Section 10. Severability. *If* any provision of this Act or its application to any person or circumstance is held invalid, the invalidity *shall not* affect other provisions or applications of this Act which can be given effect without the invalid provision or application and to this end the provisions of this Act is severable.

LEGISLATIVE SESSION

I MINA'TRENTAI DOS NA LIHESLATURAN

2014 (SECOND) Regular Session

Voting Sheet

Speaker Antonio R. Unipingco Legislative Session Hall
February 3, 2014

Bill No. 257-32 (COR)
As amended on the Floor

NAME	Yea	Nay	Not Voting/ Abstained	Out During Roll Call	Absent
Senator Thomas "Tom" C. ADA	✓				
Senator V. Anthony "Tony" ADA		✓			
Senator Frank Blas AGUON Jr.	✓				
Vice-Speaker Benjamin J.F. CRUZ	✓				
Senator Christopher M. DUENAS		✓			
Senator Michael LIMTIACO		✓			
Senator Brant McCREADIE					✓ Ex.
Senator Thomas "Tommy" MORRISON		✓			
Senator Tina Rose MUÑA BARNES					✓ Ex.
Senator Vicente (ben) Cabrera PANGELINAN	✓				
Senator Rory J. RESPICIO	✓				
Senator Dennis G. RODRIGUEZ, Jr.	✓				
Senator Michael F. Q.SAN NICOLAS	✓				
Speaker Judith T. WON PAT, Ed.D.	✓				
Senator Aline A. YAMASHITA, Ph.D.		✓			
TOTAL	8	5			2 Ex.
	Yea	Nay	Not Voting/ Abstained	Out During Roll Call	Absent

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

I = Pass