I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN

2019 (FIRST) Regular Session

LEGISLATIVE SESSION VOTING RECORD

Bill No. 140-35 (COR)
As amended in the Committee of the Whole.

Speaker Antonio R. Unpingco Legislative Session Hall
Guam Congress Building
August 22, 2019

NAME	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
Senator William M. CASTRO	✓					
Senator Régine Biscoe LEE	✓					
Senator Kelly G. MARSH (TAITANO), PhD	✓					
Senator James C. MOYLAN	✓					
Senator Louise B. MUÑA	✓					
Speaker Tina Rose MUÑA BARNES	✓					
Vice Speaker Telena Cruz NELSON	✓	II				
Senator Sabina Flores PEREZ	✓					
Senator Clynton E. RIDGELL					✓	✓
Senator Joe S. SAN AGUSTIN	✓					
Senator Amanda L. SHELTON	✓					
Senator Telo T. TAITAGUE	✓					
Senator Jose "Pedo" TERLAJE					✓	✓
Senator Therese M. TERLAJE		II ✓				
Senator Mary Camacho TORRES	✓					

	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
TOTAL:	12	1			2	2

CERTIFIED TRUE AND CORRECT:

RENNAE V. C. MENO
Clerk of the Legislature

I = Pass

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*

Introduced by: Joe S. San Agustin
Clynton E. Ridgell
Tina Rose Muña Barnes

AN ACT TO *AMEND* § 1216 OF ARTICLE 2, CHAPTER 1, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE ISSUANCE OF REVENUE BONDS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, TO REFUND ALL OR A PORTION OF ITS OUSTANDING GENERAL REVENUE BONDS, 2013 SERIES C.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that 12 GCA § 1216 provides that the A.B. Won Pat International Airport Authority, Guam (Authority) is authorized to incur indebtedness by the issuance of general revenue bonds for the purpose of refunding any general revenue bonds of the Authority then outstanding.

12 GCA § 1208 provides that no general revenue bonds of the Authority shall be issued unless authorized by the Board of the Authority in a bond resolution adopted by it and approved by *I Maga'hågan Guåhan*, and unless *I Liheslaturan Guåhan* approves the terms and conditions of the bonds.

12 GCA § 50103 provides that public corporations of the government of Guam, including the Authority, shall issue bonds and other obligations only by means of, and through the agency of the Guam Economic Development Authority (GEDA), and that GEDA *shall not* sell any bond without the approval by *I Liheslaturan Guåhan* of the terms and conditions of the bonds.

Based on low interest rates and current market conditions, the Authority expects to be able to refund all or a portion of its outstanding General Revenue Bonds, 2013 Series C (the "2013 C Bonds") for debt service savings.

Therefore, in order to benefit the airport and the tourism industry that is reliant on the functions of the airport, *I Liheslaturan Guåhan* intends to approve the issuance of revenue bonds by the Authority to refund all or a portion of its 2013 C Bonds, all subject to approval by *I Maga'hågan Guåhan* and the Board of Directors of GEDA in accordance with law.

Section 2. § 1216 of Article 2, Chapter 1, Title 12, Guam Code Annotated, is hereby *amended* to read as follows:

"**§ 1216. Refunding of Bonds.**

(a) The Board may authorize the issuance of refunding bonds for the purpose of refunding any or a portion of bonds then outstanding and issued under this Article, whether or not such outstanding bonds have matured or are then subject to redemption. The Board may provide for the issuance of a single issue of bonds for the combined purposes of (1) financing the cost of improvement or expansion of the airport; and (2) refunding bonds which shall therefore have been issued by the Authority and shall then be outstanding, whether or not such outstanding bonds have matured or are then subject to redemption. Nothing in this Section shall require or be deemed to require the Authority to elect to redeem or prepay bonds being refunded, or to redeem or repay bonds being refunded which were issued in the form customarily known as term bonds in accordance with any sinking fund installment schedule specified in the bond resolution authorizing the issuance thereof, or, in the event the Authority elects to redeem or prepay any such bonds, to redeem or prepay as of any particular date or dates. The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and powers, privileges, duties and obligations of the Authority with respect to the bonds shall be governed by the provisions of this Article insofar as those provisions may be applicable.

(b) *I Liheslaturan Guåhan,* pursuant to § 1208(a) of this Article and 12 GCA § 50103(k) hereby approves the terms and conditions of the issuance of general revenue bonds by the Authority for the purpose of refunding all or a portion of the Authority's outstanding General Revenue Bonds, 2013 Series C (herein the "2013 C Bonds") in accordance with the following requirements, limitations, terms and conditions:

(1) All obligation of the Authority to pay debt service on, and the redemption price of, the 2013 C Bonds refunded shall be discharged concurrently with the issuance of the refunding bonds. Thereafter, such 2013 C Bonds shall be payable solely from and secured solely by an escrow established for such purpose in accordance with the Authority's existing bond indenture.

(2) Such bonds shall be issued and sold in compliance with the provisions of Article 2 of Chapter 1, Title 12, Guam Code Annotated, including approval of the bond resolution by the Board of Directors of the Authority and by *I Maga'hågan Guåhan* as provided therein.

(3) The sale of the bonds shall be approved by the Board of Directors of GEDA as provided by Chapter 50 of Title 12, Guam Code Annotated.

(4) The debt service savings resulting from the issuance of the refunding bonds shall be not less than an amount equal to two percent (2%) of the principal amount of the 2013 C Bonds refunded. Debt service savings is defined for this purpose to be the amount by which the present value of debt service on the 2013 C Bonds exceeds the present value of debt service on the refunding bonds, using the yield on the refunding bonds as the discount rate for purposes of calculating present value.

(5) Such refunding bonds shall have a principal amount or principal amounts sufficient to provide funds for the payment of all or a portion of the 2013 C Bonds refunded, and in addition, for the payment of all expenses incident to the calling, retiring, or paying of such 2013 C Bonds and the issuance of such refunding bonds, including:

(A) the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold;

(B) any amount necessary to be made available for the payment of interest upon such refunding bonds from the date of sale thereof to the date of payment of the 2013 C Bonds or to the date upon which the 2013 C Bonds will be paid pursuant to the call thereof or agreement with the holders thereof;

(C) the premium, if any, necessary to be paid in order to call or retire the 2013 C Bonds and the interest accruing thereon to the date of the call or retirement; and

(D) any additional amount needed to provide for a deposit to the debt service reserve in connection with the issuance of the refunding bonds.

(c) Reporting Requirements.

(1) The Authority shall submit a Notice of Intent to issue and sell such bonds as authorized in this Section to *I Liheslaturan Guåhan* no less than ten (10) working days before the consideration of the bond resolution by the Board of Directors of the Authority. The notice shall include a determination by the Authority on how the savings, which will be derived upon the issuance of the refunding bonds, will be used and expended.

(2) GEDA shall submit a report to *I Liheslatura* no less than five (5) working days after the issuance and sell of such bonds, which shall include:

(A) the debt service savings resulting from the issuance of the refunding bonds;

(B) the principal amounts of the refunding bonds;

(C) the expenses incident to the calling, retiring, or paying of such prior bonds as enumerated in Subsection (b)(5)(A)-(D) of this Section;

(D) a determination by the Authority on how the savings, which will be derived upon the issuance of the refunding bonds, will be used and expended; and

(E) an analysis of the use of debt savings to fund additional projects as it relates to the Authority's total debt outstanding. The analysis shall include the impact the projects will have on the Authority's financial health."

Section 3. The debt service savings resulting from the issuance of the refunding bonds, as authorized by this Act, *shall* be used for capital improvement projects only and *shall not* be used toward salary increases or adjustments of any kind.

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