

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
1-37 (COR) As amended on the Floor	Sabina Flores Perez	AN ACT TO AMEND § 24105 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES.	1/5/23 10:07 a.m.	1/6/23	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 1/6/23 1/19/23	2/27/23 2:00 p.m.	3/27/23 4:04 p.m.	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	LAPSED	NOTES	
	4/24/23	AN ACT TO AMEND § 24105 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND PHOTOVOLTAIC ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES.	4/28/23	5/1/23	5/12/23	37-11	5/12/23	Received: 5/12/23 Messages and Communications Doc. No. 37GL-23-0522	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via email to: speaker@guamlegislature.org

May 12, 2023

HONORABLE THERESE M. TERLAJE, *Speaker*
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

39GL-23-0522
**OFFICE OF THE SPEAKER
THERESE M. TERLAJE**

05-12-2023

Time: 6:21 pm
Received: [Signature]

Re: Bill No. 1-37 (COR) - AN ACT TO AMEND § 24105 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND PHOTOVOLTAIC ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES

Hafa Adai Madame Speaker,

For the reasons below, Bill 1-37 will lapse into law without my signature. While our Administration wholeheartedly supports promoting our island's transition to renewable energy, this bill does not further this interest.

Bill 1-37 seeks to implement property tax exemptions that would exclude the added value of solar energy systems from the valuation of business and residential property for taxation purposes. The exemption is intended to incentivize the use of these systems by making them more economically feasible for our taxpayers.

However, Bill 1-37 does not further our community's green energy goals. On February 27, 2023, Department of Revenue and Taxation ("DRT") officials testified before the Legislature, and noted that DRT's Real Property Tax Division does not assess taxes on improvements such as energy-efficient air conditioners or appliances due to their depreciative nature. DRT officials further testified that solar energy systems were not considered in the 2013 valuation. Accordingly, while these systems may increase real estate values on our island, they do not impact tax assessments.

Lt. Governor Josh Tenorio and I remain steadfast in our commitment to green-energy initiatives. In 2021, the U.S. Department of the Interior awarded over Two Million dollars (\$2,000,000.00) to Guam through the Office of Insular Affairs' Energizing Insular Communities (EIC) program, a grant intended to be utilized for high-priority energy projects on Guam. We have leveraged these funds into the Guam Power Authority ("GPA") for energy updates at the University of Guam ("UOG"), Guam Community College for a 100-kW solar PV system, UOG for the Guam Strategy



To: Therese M. Terlaje, *Speaker*, 37th Guam Legislature
Fr: Lourdes A. Leon Guerrero, *Governor of Guam*
Date: May 12, 2023
Re: Bill No. 1-37 (COR) nka P.L. 37-11

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Energy & Action Plan, and GPA for LED lighting upgrades at Tamuning Elementary School. And just this year, on behalf of our island, our administration entered into an agreement with the Blue Planet Alliance to end the use of carbon-based fuel globally and source 100% of Guam's electricity from renewable energy, both by 2045.

Our Administration stands ready to support future green-energy initiatives that further our community's interest in sustainability and preserving our natural resources on Guam and globally. While I decline to sign Bill 1-37 into law because it merely seeks to implement existing agency practices, I am encouraged by the Legislature's interest in these issues and look forward to future legislation that helps bring about real change.

Bill No. 1-37 (COR) shall lapse into law without my signature as ***Public Law No. 37-11***.

Senseremente,


LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

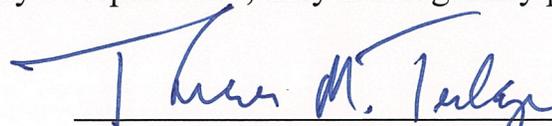
Enclosure: Bill No. 1-37 (COR) *nka P.L. No. 37-11*

cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

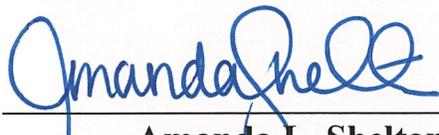
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 1-37 (COR)**, “AN ACT TO *AMEND* § 24105 OF CHAPTER 24, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO EXCLUDING THE VALUE ADDED TO BUILDINGS FROM THE INSTALLATION OF PHOTOVOLTAIC SOLAR PANELS AND PHOTOVOLTAIC ROOF TILES FOR PURPOSES OF LEVYING REAL ESTATE TAXES,” was on the 28th day of April 2023, duly and regularly passed.



Therese M. Terlaje
Speaker

Attested:



Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 1st day of May,
2023, at 12:45 o'clock P.M.



Assistant Staff Officer
Maga'håga's Office

APPROVED:

LAPLAPSE

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 5/12/2023

Public Law No. 37-11

Jessica Dydaco

RCUD AT CENTRAL FILES
MAY 1 '23 PM 12:45

2023-19185

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 1-37 (COR)

As amended on the Floor.

Introduced by:

Sabina Flores Perez

Chris Barnett

Frank Blas, Jr.

Joanne Brown

Christopher M. Dueñas

Thomas J. Fisher

Jesse A. Lujan

Tina Rose Muña Barnes

William A. Parkinson

Roy A. B. Quinata

Joe S. San Agustin

Dwayne T. D. San Nicolas

Amanda L. Shelton

Telo T. Taitague

Therese M. Terlaje

**AN ACT TO *AMEND* § 24105 OF CHAPTER 24, TITLE 11,
GUAM CODE ANNOTATED RELATIVE TO
EXCLUDING THE VALUE ADDED TO BUILDINGS
FROM THE INSTALLATION OF PHOTOVOLTAIC
SOLAR PANELS AND PHOTOVOLTAIC ROOF TILES
FOR PURPOSES OF LEVYING REAL ESTATE TAXES.**

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

2 **Section 1. Legislative Findings and Intent.**

3 *I Liheslaturan Guåhan* finds that according to the *National Renewable Energy*

4 *Laboratory*, the value of a home equipped with solar panels is increased by 17%.

5 According to the *Lawrence Berkeley National Laboratory*, the value of a home

1 equipped with a standard 3.6 kW system is increased by about \$15,000 more than
2 homes with smaller systems or no panels, and additional research found that leased
3 panels likely will not impact a home’s value. On Guam specifically, where the
4 current value of homes hover around \$400,000, and given the assumption of a 17%
5 increase in value for installing solar systems, the value of an average home can
6 increase by \$68,000, leading to a significant increase in property taxes levied on
7 homes that seek to incorporate the environmentally sound action of utilizing solar
8 panels.

9 *I Liheslatura* further finds that increasing renewable energy aligns with the
10 mandates of Public Law 35-46, which requires GPA to “establish a preliminary
11 renewables portfolio standard goal of one hundred percent (100%) of its net
12 electricity sales by December 31, 2045,” effectively converting our island’s use of
13 fossil fuels to the use of renewable energy. Additionally, policies that reduce taxes
14 to residents and businesses who install solar systems have multiple benefits, such as
15 a decreased reliance on fossil fuels. This significantly reduces the cost of living by
16 lowering the cost of electricity and allowing these savings to be reserved for rainy
17 days, supporting a localized economy, protecting our environment by mitigating
18 climate change, and other necessities.

19 *I Liheslaturan Guåhan* intends to promote our island’s transition to renewable
20 energy by exempting additional real estate tax valuation due to the increase in the
21 value of buildings, owned by individuals or businesses, that may result from the
22 installation of solar panels.

23 **Section 2.** § 24105 of Chapter 24, Title 11, Guam Code Annotated, is
24 *amended* to read:

25 **“§ 24105. Improvements Defined.**

26 (a) The term improvements as used in § 24103 of this Title shall be
27 construed to mean buildings and permanent structures on land. It is hereby

1 declared to be the legislative intention, by the adoption of this Section, to
2 encourage the cultivation of farms, land suitable for farming, and the
3 production of livestock and poultry or the products thereof.

4 (b) The term improvements, *supra*, shall *not* include the value added
5 from photovoltaic solar panels and photovoltaic roof tiles installed on
6 buildings.”