

Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
LESIAN UMAYTA LAH
AGANA GUAM 96910 USA

RECEIVED
OFFICE OF THE SPEAKER
DATE: 8/1/94
TIME: 2:50 PM
RECD BY: Jamy

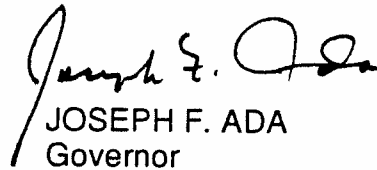
FEB 2 1994

The Honorable Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hessler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 582, which has been designated as Public Law
No. 22-74.

Sincerely yours,


JOSEPH F. ADA
Governor

220542

Attachment

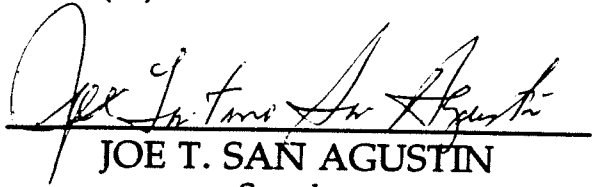


Commonwealth Now!

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

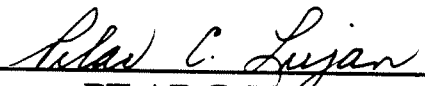
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 582 (LS), "AN ACT TO CREATE THE GUAM FINANCE COMMISSION IN ORDER TO COORDINATE THE FUNCTIONS OF ECONOMIC AND FINANCIAL DATA COLLECTION, ECONOMIC FORECASTING, FINANCIAL MANAGEMENT, AND TAX POLICY FOR THE TERRITORY OF GUAM; TO AMEND SECTION 47060 OF THE GOVERNMENT CODE RELATIVE TO THE RESPONSIBILITY OF THE DEPARTMENT OF COMMERCE TO PREPARE CERTAIN ECONOMIC DATA; AND TO AMEND SECTION 47060.1 OF THE GOVERNMENT CODE, RELATIVE TO THE RESPONSIBILITY OF THE DEPARTMENT OF COMMERCE TO PUBLISH CERTAIN ECONOMIC DATA," returned to the Legislature without the approval of the Governor, was reconsidered by the Legislature and after such reconsideration, the Legislature did, on the 16th day of February, 1994, agree to pass said bill notwithstanding the objection of the Governor by a vote of two-thirds or more of all the members thereof, to wit: by a vote of fifteen (15) members.



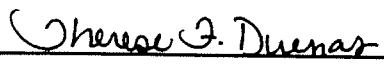
JOE T. SAN AGUSTIN
Speaker

Attested:



PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 23rd day of February, 1994, at
3:50 o'clock p.M.



Assistant Staff Officer
Governor's Office

Public Law No. 22-74

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 582 (LS)

Substitute Bill by Committee on Ways and Means
and further substituted by Committee on Rules

Introduced by:

C. T. C. Gutierrez
T. S. Nelson
M. D. A. Manibusan

A. C. Blaz

P. C. Lujan

D. Parkinson

T. C. Ada

J. P. Aguon

E. P. Arriola

J. G. Bamba

M. Z. Bordallo

D. F. Brooks

F. P. Camacho

H. D. Dierking

V. C. Pangelinan

E. D. Reyes

J. T. San Agustin

F. E. Santos

D. L. G. Shimizu

T. V. C. Tanaka

A. R. Unpingco

AN ACT TO CREATE THE GUAM FINANCE COMMISSION
IN ORDER TO COORDINATE THE FUNCTIONS OF
ECONOMIC AND FINANCIAL DATA COLLECTION,
ECONOMIC FORECASTING, FINANCIAL MANAGEMENT,
AND TAX POLICY FOR THE TERRITORY OF GUAM; TO
AMEND SECTION 47060 OF THE GOVERNMENT CODE
RELATIVE TO THE RESPONSIBILITY OF THE DEPARTMENT
OF COMMERCE TO PREPARE CERTAIN ECONOMIC DATA;
AND TO AMEND SECTION 47060.1 OF THE GOVERNMENT

1 **(b) Intent.** It is the intent of the Legislature to continue the work of the
2 Guam Tax Code Commission and to give this commission additional
3 authority to act as a permanent commission on government finance. There is
4 a vital need for consolidation of the government's financial and economic
5 information, improvement of the forecasting of revenues, expenditures, and
6 surplus or deficit, and to determine the impact of federal expenditures on the
7 territory. The enlarged commission would serve as the government's
8 umbrella fiscal policy organization, would commence fiscal policy work, and
9 provide proposed legislation for major improvement in the government's
10 basic data systems and increasing Guam's fiscal forecasting capability.

11 **§19951. Establishment of Guam Finance Commission.** The Guam
12 Finance Commission is established, consisting of the following members:

13 (a) Three (3) voting members appointed by the Governor, including
14 One (1) Guam Certified Public Accountant, to serve at the
15 pleasure of the Governor;

16 (b) Four (4) voting members appointed by the Speaker of the
17 Legislature or his designee, to serve at the pleasure of the
18 Speaker;

19 (c) Two (2) voting members consisting of the Legislature's
20 Chairperson of the Committee on Federal and Foreign Affairs
21 and the Chairperson of the Committee on Ways and Means;

22 (d) Five (5) *ex-officio* non-voting members consisting of:
23 the Directors of the Departments of Revenue and Taxation,
24 Administration, Commerce, Bureau of Budget and Management
25 Research, and the Administrator of the Guam Economic
26 Development Authority (GEDA). The Directors of the above-
27 named departments and the Administrator of GEDA shall serve in

1 their own capacity as members of the Guam Finance Commission
2 or shall appoint instead a designee from their respective
3 departments or agency to serve. These ex-officio non-voting
4 members of the Commission are to serve on the Commission only
5 as consultants, and are not entitled to vote on any matter
6 whatsoever.

7 Any member of the Commission may also be dismissed for cause, approved by
8 a majority vote of the members. Any vacancy shall be filled by the same
9 authority who originally appointed the member to such position, or, in the
10 case of a former member of the Guam Tax Code Commission who became a
11 member of the Guam Finance Commission pursuant to Section 19954 of this
12 Code, by the same authority who appointed such member to the Guam Tax
13 Code Commission. The Commission shall elect a chairman from among its
14 members, who shall designate such other officers as are necessary to conduct
15 the Commission's business. The Commission shall draft and implement
16 operating procedures for the conduct of its business, which procedures are
17 exempt from the provisions of the Administrative Adjudication Law.

18 **§19952. Powers of the Commission.** In carrying out its duties and
19 responsibilities, the Commission shall have the following powers:

20 (a) except as provided by United States and Guam law regarding the
21 confidentiality of tax return information, to examine any document, report,
22 or data, including programs and data files, held by any territorial agency,
23 which agencies are required to cooperate with the Commission and its
24 employees in any such examination;

25 (b) to meet at such times and places as it may deem proper;

26 (c) to hold hearings at times and places as it may deem proper;

1 (d) upon a vote of the Commission, to issue subpoenas, to compel the
2 attendance of witnesses and the production of books, records, papers,
3 accounts, reports, and documents;

4 (e) to administer oaths;

5 (f) to employ an executive assistant and staff as may be necessary,
6 however, before additional staff is employed from outside the government,
7 individuals already in the employment of the government and possessing
8 needed knowledge and skills shall be transferred to the Commission upon the
9 request of the Director of the respective Department where the individual is
10 employed, or in the case of GEDA, upon the request of the Administrator;

11 (g) to contract with agencies or individuals, public or private, as it
12 deems necessary, to provide or prepare services, facilities, studies, and
13 reports to the Commission as will assist it in carrying out its duties and
14 responsibilities;

15 (h) to do any and all other things necessary or convenient to enable it
16 fully and adequately to perform its duties and to exercise the powers
17 expressly granted to it.

18 **§19953. Duties and responsibilities of the Commission.** The
19 Commission shall:

20 (a) if they are not completed, continue the functions of the Guam Tax
21 Code Commission, as follows:

22 (i) study the effect of the present tax system as it has affected
23 Guam during varying economic situations in the past and present, with
24 a view towards probable future situations;

25 (ii) develop or adapt an econometric model of Guam's existing
26 and projected economy, which model shall be used to simulate the effect
27 of revenue raising, the effect of any proposed benefits and the optional

1 revenue generation and utility thereof. The Commission shall utilize all
2 existing and otherwise available resources, such as the econometric
3 model now used by the United States Treasury, in its development of
4 such model for its work. In developing or updating its model, the
5 Commission shall take into account the Comprehensive Economic
6 Development Plan to be drafted pursuant to Public Law 20-147;

7 (iii) solicit information and advice from various sources on the
8 present tax structure and desired changes, through contact with
9 community sources such as the Guam Chamber of Commerce, the
10 Guam Employers' Council, the Guam Association of Social Workers,
11 the Guam Federation of Teachers, the Guam Visitors Bureau, the
12 Guam Association of Public Accountants, the Guam Society of Certified
13 Public Accountants, and others, and from public sector sources such as
14 the Department of Commerce, the Department of Public health and
15 Social Services, the Bureau of Planning, and others;

16 (iv) determine the effect of varying tax approaches tried in other
17 jurisdictions, such as Puerto Rico, the Virgin Islands, Hawaii, the
18 Commonwealth of the Northern Mariana Islands, and others,
19 including foreign jurisdictions, to the extent that they are useful for the
20 Commission's purposes;

21 (v) draft proposed tax legislation, incorporating
22 recommendations deemed desirable for Guam after undertaking the
23 study required in paragraphs (i), (ii), (iii), and (iv) of this Subsection (a),
24 and transmit such legislation to the Legislature. Until December 31,
25 1994, a favorable vote of six (6) or more voting members of the
26 Commission on the proposed legislation shall be necessary before its

1 transmittal to the Legislature. After December 31, 1994, a favorable vote
2 of a majority of the voting members shall be necessary.

3 (vi) take any and all steps necessary to communicate with the
4 Federal government regarding Guam's tax system; study existing
5 applicable domestic and international tax laws, tax treaties, and
6 agreements which may have a bearing on the present and future
7 relationship between the United States and Guam; and propose draft
8 modifications of such tax laws, tax treaties, and agreements which
9 might adversely impact upon Guam's development, such drafts and
10 proposals resulting from communications between the Commission and
11 representatives of the Federal government regarding such legislation.

12 (b) Undertake additional duties and responsibilities as follows:

13 (i) develop a specific blueprint for consolidation of government
14 Policy Financial Information System to be administered by a Special
15 Accounting Service, directed by the Controller of the Department of
16 Administration and composed of the Chief of the Taxpayer Services
17 Administration of the Department of Revenue and Taxation, the
18 Budget Analyst Supervisor of the Bureau of Budget and Management
19 Research, a designee of the Chairperson of the Legislature's Committee
20 on Ways and Means, and consulting accountants as required for system
21 development, administration, and automation;

22 (ii) develop a specific blueprint for the consolidation of
23 government economic information as a basis for management of a
24 central Fiscal Policy Economic Information System, including
25 administration of the Guam Econometric Model as provided in item (ii)
26 of Subsection (a) of this Section, to be administered by a Special
27 Economic Service, directed by the Senior Economist of the Department

1 of Revenue and Taxation and composed of the Chief Planner of the
2 Bureau of Planning, the Chief Economist of the Department of
3 Commerce, the Research Manager of the Guam Visitors Bureau, the
4 Senior Economist of the Department of Labor, the Chief Economist of
5 the Bank of Guam, and such consulting economists and statisticians
6 recruited for the purpose of macroeconomic model design,
7 management, and automation;

8 (iii) compile and make available to the Legislature, the Governor,
9 and the public, forecasts of revenues, current and prior year
10 expenditures, and surplus or deficit;

11 (iv) determine the impact of federal expenditures in Guam;

12 (v) make reports to the Legislature and to the Governor as
13 follows:

14 (1) on July 1, 1995, and on a semiannual basis thereafter, the
15 impact of federal expenditures on Guam's economy and
16 employment, including projections of federal expenditures coming
17 into Guam and changes in these expenditures; the impact of these
18 expenditures on Guam's economic growth, employment, tax
19 revenues, and other variables determined to be significant by the
20 Commission, for the next year compared with the previous three
21 (3) years; identify significant federal expenditures or potential
22 expenditures coming into Guam affecting military bases,
23 installations, active duty and retired military personnel within
24 Guam, as well as the impact of the changes in these expenditures.

25 (2) Prepare long-range forecasts of revenues and
26 expenditures for each of the four (4) years immediately beyond the
27 budget year and for the ninth year beyond the budget year.

1 **§19954. Carryover from the Guam Tax Code Commission.** (a)
2 Appropriations, funds, and authority. The Guam Tax Code Commission is
3 terminated, and all appropriations of funds to the Guam Tax Code
4 Commission shall be transferred to the Guam Finance Commission within
5 Thirty (30) days of the effective date of this Section.

6 (b) Membership, vacancies, chairman, and operating procedures. All
7 current individual members of the Guam Tax Code Commission on the
8 effective date of this Section shall be the voting members of the Guam
9 Finance Commission, occupying their respective positions as set out in the
10 provisions of §19951 of this Chapter. Those who were appointed continue to
11 occupy their positions without the necessity for reappointment. Any vacancy
12 occurring among the current individual members shall be filled in the manner
13 set forth in Section 19951 of this Chapter. The former Chairman of the Guam
14 Tax Code Commission is the Chairman of the Guam Finance Commission,
15 and the operating rules and procedures of the Guam Tax Code Commission
16 shall be utilized by the Guam Finance Commission until repealed, modified,
17 or otherwise changed by the Guam Finance Commission.

18 (c) All rights and duties formerly vested in the Guam Tax Code
19 Commission, or any official thereof, shall become vested in the Guam
20 Finance Commission, or any equivalent official thereof, whichever is
21 applicable.”

22 **Section 2. Repeal of obligation of Department of Commerce to prepare**
23 **certain economic data and Repeal of obligation of Department of Commerce**
24 **to publish certain economic data.** (a) **Legislative Findings.** The Legislature
25 finds that the Department of Commerce has never devised and prepared, or
26 published economic data known as Gross Island Product, Gross Island Debt,
27 or Income and Product Accounts.

1 (b) **Amendment of Subsection (a) of Section 47060 of the Government**
2 **Code.** Subsection (a) of Section 47060 of the Government Code, amended in
3 Section 15 of Chapter II of Public Law 16-111, is further amended to read:

4 "(a) To investigate, study and undertake ways and means of
5 promoting and encouraging the prosperous development and
6 protection of the interest and welfare of Guam's legitimate business,
7 industry, and commerce, and in connection therewith to investigate
8 and study governmental and other external conditions affecting
9 Guam business, industry and commerce and on the basis thereof to
10 compile, collect, develop and publish quarterly scientific indices and
11 economic indicators including but not limited to economic growth,
12 trade balances, exports and imports, consumer prices and other
13 information relating to economic conditions."

14 (c) **Amendment of Section 47060.1 of the Government Code.** Section
15 47060.1 of the Government Code, added in Section 16 of Chapter II of Public
16 Law 16-111, is further amended to read:

17 "**§47060.1. Priority of Publication.** In the even sufficient funds
18 are not available to the Department to publish all of the material
19 required by §47060.1 (a) of the Government Code, the information
20 gathered shall be published according to the following priorities:

- 21 (a) consumer prices;
22 (b) exports and imports;
23 (c) trade balances; and
24 (d) all other information designated for publication."

TWENTY-SECOND GUAM LEGISLATURE

1994 (SECOND) Regular Session

Date: 2/16/94

VOTING SHEET (AS REVISED)

Bill No. VB582
 Resolution No. _____
 Question: _____

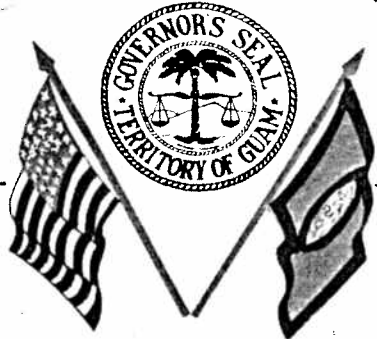
| NAME | AYE | NO | NOT VOTING/ ABSTAINED | ABSENT/ OUT DURING ROLL CALL |
|--------------------------|-----|----|-----------------------------|------------------------------------|
| ADA, Thomas C. | ✓ | | | |
| AGUON, John P. | ✓ | | | |
| ARRIOLA, Elizabeth P. | ✓ | | | |
| BAMBA, J. George | | ✓ | | |
| BLAZ, Anthony C. | | ✓ | | |
| BORDALLO, Madeleine Z. | ✓ | | | |
| BROOKS, Doris F. | | ✓ | | |
| CAMACHO, Felix P. | | ✓ | | |
| DIERKING, Herminia D. | ✓ | | | |
| GUTIERREZ, Carl T. C. | ✓ | | | |
| LUJAN, Pilar C. | ✓ | | | |
| MANIBUSAN, Marilyn D. A. | ✓ | | | |
| NELSON, Ted S. | ✓ | | | |
| PANGELINAN, Vicente C. | ✓ | | | |
| PARKINSON, Don | ✓ | | | |
| REYES, Edward D. | ✓ | | | |
| SAN AGUSTIN, Joe T. | ✓ | | | |
| SANTOS, Francis E. | ✓ | | | |
| SHIMIZU, David L. G. | ✓ | | | |
| TANAKA, Thomas V. C. | | ✓ | | |
| UNPINGCO, Antonio R. | | ✓ | | |

TOTAL

15 6 _____

Rf. 22-74

RECEIVED
OFFICE OF THE SPEAKER
DATE: DEC 06 1993
TIME: 5:35 pm
RECD BY: *epo*



*Territory of Guam
Territorio de Guam*

OFFICE OF THE GOVERNOR
UHSINAN I MAGALAHI
AGANA, GUAM 96910 U.S.A.

DEC 06 1993

LEGISLATIVE SECRETAR

MEMBER, COMMITTEE ON TOURISM
TRANSPORTATION & COMMUNICATIONS

RECD BY: *Juan*
DATE: 10/7/93 TIME: 10:10

The Honorable Joe T. San Agustin
Speaker, Twenty-second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

Returned herewith is Bill No. 582, which I have vetoed in its entirety.

I have done this for one reason primarily.

It is not because this is yet another example of Legislative encroachment into what is normally an executive function. There are other examples of this type of encroachment, which we have tolerated in the past in the interests of working together. That aspect of things can be tolerated in the interests of the People and if one does not go overboard.

It is not because I do not believe that the Legislature and the Administration can work together on this issue. I believe we can: we have worked together well on many other issues, such as the return of NAS, and we did so without needing additional funding or additional staff.

No, I am vetoing this measure because I see it for what it truly is: an attempt to create yet another commission under the auspices of a certain committee and justify yet more spending and hiring of employees. It seems to me that if one really wants to get a handle on government spending, a good way to start would be by adopting the following rule.

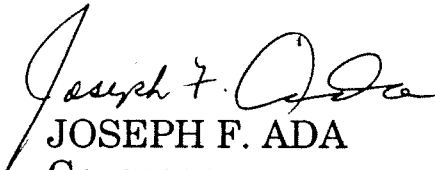


The Honorable Joe T. San Agustin
Page Two

No more commissions with extra staff.

If the goals of this Commission must be implemented, it can be done by simply creating a legislative Committee, on an ad hoc basis, and using existing personnel to staff it. To permanently enshrine this as a full-time Commission is only intended to justify the appropriations and hiring measure that will soon be winging its way towards Adelup, despite the inevitable protestations of the main author to the contrary.

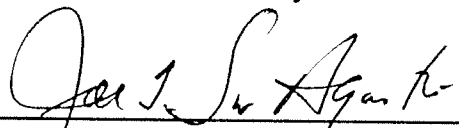
Sincerely,


JOSEPH F. ADA
Governor

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

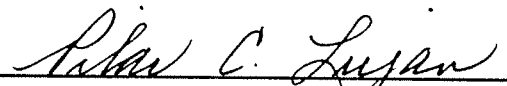
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 582 (LS), "AN ACT TO CREATE THE GUAM FINANCE COMMISSION IN ORDER TO COORDINATE THE FUNCTIONS OF ECONOMIC AND FINANCIAL DATA COLLECTION, ECONOMIC FORECASTING, FINANCIAL MANAGEMENT, AND TAX POLICY FOR THE TERRITORY OF GUAM; TO AMEND SECTION 47060 OF THE GOVERNMENT CODE RELATIVE TO THE RESPONSIBILITY OF THE DEPARTMENT OF COMMERCE TO PREPARE CERTAIN ECONOMIC DATA; AND TO AMEND SECTION 47060.1 OF THE GOVERNMENT CODE, RELATIVE TO THE RESPONSIBILITY OF THE DEPARTMENT OF COMMERCE TO PUBLISH CERTAIN ECONOMIC DATA," was on the 19th day of November, 1993, duly and regularly passed.



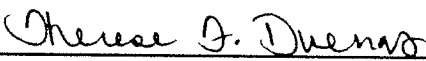
JOE T. SAN AGUSTIN
Speaker

Attested:



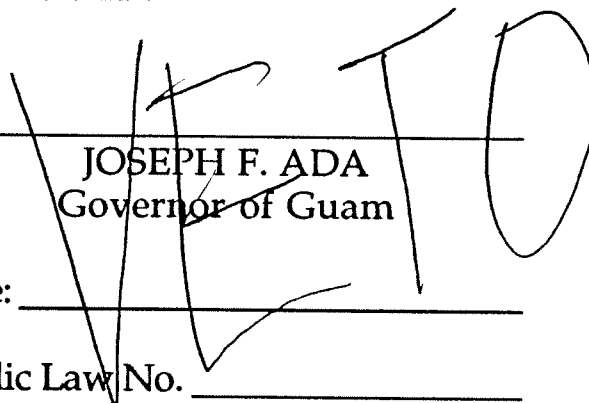
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 24th day of November, 1993, at
10:12 o'clock A.M.



Theresa J. Duenas
Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: _____

Public Law No. _____

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 582 (LS)

Substitute Bill by Committee on Ways and Means
and further substituted by Committee on Rules

Introduced by:

C. T. C. Gutierrez
T. S. Nelson
M. D. A. Manibusan
A. C. Blaz
P. C. Lujan
D. Parkinson
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AN ACT TO CREATE THE GUAM FINANCE COMMISSION
IN ORDER TO COORDINATE THE FUNCTIONS OF
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AND TO AMEND SECTION 47060.1 OF THE GOVERNMENT

CODE, RELATIVE TO THE RESPONSIBILITY OF THE
DEPARTMENT OF COMMERCE TO PUBLISH CERTAIN
ECONOMIC DATA.

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

2 Section 1. Chapter XII of Title XX of the Government Code is repealed
3 and reenacted to read:

4 "Chapter XII

5 GUAM FINANCE COMMISSION

6 §19950. Legislative findings. (a) Background. The government of
7 Guam was given the authority under federal law in the Tax Reform Act of
8 1986 to develop its own tax code to replace the enforcement of the Internal
9 Revenue Code as a local tax. Executive Orders 86-09 and 87-06 created tax
10 commissions, and Public Law 21-181, as amended, created a Guam Tax Code
11 Commission to incorporate the work of the previous tax commissions and to
12 draft a Guam Tax Code. The Guam Tax Code Commission has engaged in
13 intense work since 1990 on the revenue levels of the government, as well as
14 negotiating with the federal government on various aspects of a de-linking
15 arrangement, particularly the issue of retaining the ability of the Guam
16 resident to file a single tax return on Guam and avoid filing a second tax
17 return in the United States.

18 In progressing on these tasks, it has become evident that the
19 government of Guam will need more coordination and development of a
20 unified system of information gathering regarding economic factors and
21 revenue forecasting, as well as integrated financial management. This is
22 necessary as Guam embarks on more sophisticated financial arrangements
23 made possible by a more prosperous economy, and enters the Twenty-First
24 Century as a participatory partner in the world economy.

1 **(b) Intent.** It is the intent of the Legislature to continue the work of the
2 Guam Tax Code Commission and to give this commission additional
3 authority to act as a permanent commission on government finance. There is
4 a vital need for consolidation of the government's financial and economic
5 information, improvement of the forecasting of revenues, expenditures, and
6 surplus or deficit, and to determine the impact of federal expenditures on the
7 territory. The enlarged commission would serve as the government's
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15 pleasure of the Governor;
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17 Legislature or his designee, to serve at the pleasure of the
18 Speaker;
- 19 (c) Two (2) voting members consisting of the Legislature's
20 Chairperson of the Committee on Federal and Foreign Affairs
21 and the Chairperson of the Committee on Ways and Means;
- 22 (d) Five (5) **ex-officio** non-voting members consisting of:
23 the Directors of the Departments of Revenue and Taxation,
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25 Research, and the Administrator of the Guam Economic
26 Development Authority (GEDA). The Directors of the above-
27 named departments and the Administrator of GEDA shall serve in

1 their own capacity as members of the Guam Finance Commission
2 or shall appoint instead a designee from their respective
3 departments or agency to serve. These ex-officio non-voting
4 members of the Commission are to serve on the Commission only
5 as consultants, and are not entitled to vote on any matter
6 whatsoever.

7 Any member of the Commission may also be dismissed for cause, approved by
8 a majority vote of the members. Any vacancy shall be filled by the same
9 authority who originally appointed the member to such position, or, in the
10 case of a former member of the Guam Tax Code Commission who became a
11 member of the Guam Finance Commission pursuant to Section 19954 of this
12 Code, by the same authority who appointed such member to the Guam Tax
13 Code Commission. The Commission shall elect a chairman from among its
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15 the Commission's business. The Commission shall draft and implement
16 operating procedures for the conduct of its business, which procedures are
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21 confidentiality of tax return information, to examine any document, report,
22 or data, including programs and data files, held by any territorial agency,
23 which agencies are required to cooperate with the Commission and its
24 employees in any such examination;

25 (b) to meet at such times and places as it may deem proper;

26 (c) to hold hearings at times and places as it may deem proper;

1 (d) upon a vote of the Commission, to issue subpoenas, to compel the
2 attendance of witnesses and the production of books, records, papers,
3 accounts, reports, and documents;

4 (e) to administer oaths;

5 (f) to employ an executive assistant and staff as may be necessary,
6 however, before additional staff is employed from outside the government,
7 individuals already in the employment of the government and possessing
8 needed knowledge and skills shall be transferred to the Commission upon the
9 request of the Director of the respective Department where the individual is
10 employed, or in the case of GEDA, upon the request of the Administrator;

11 (g) to contract with agencies or individuals, public or private, as it
12 deems necessary, to provide or prepare services, facilities, studies, and
13 reports to the Commission as will assist it in carrying out its duties and
14 responsibilities;

15 (h) to do any and all other things necessary or convenient to enable it
16 fully and adequately to perform its duties and to exercise the powers
17 expressly granted to it.

18 **§19953. Duties and responsibilities of the Commission.** The
19 Commission shall:

20 (a) if they are not completed, continue the functions of the Guam Tax
21 Code Commission, as follows:

22 (i) study the effect of the present tax system as it has affected
23 Guam during varying economic situations in the past and present, with
24 a view towards probable future situations;

25 (ii) develop or adapt an econometric model of Guam's existing
26 and projected economy, which model shall be used to simulate the effect
27 of revenue raising, the effect of any proposed benefits and the optional

1 revenue generation and utility thereof. The Commission shall utilize all
2 existing and otherwise available resources, such as the econometric
3 model now used by the United States Treasury, in its development of
4 such model for its work. In developing or updating its model, the
5 Commission shall take into account the Comprehensive Economic
6 Development Plan to be drafted pursuant to Public Law 20-147;

7 (iii) solicit information and advice from various sources on the
8 present tax structure and desired changes, through contact with
9 community sources such as the Guam Chamber of Commerce, the
10 Guam Employers' Council, the Guam Association of Social Workers,
11 the Guam Federation of Teachers, the Guam Visitors Bureau, the
12 Guam Association of Public Accountants, the Guam Society of Certified
13 Public Accountants, and others, and from public sector sources such as
14 the Department of Commerce, the Department of Public health and
15 Social Services, the Bureau of Planning, and others;

16 (iv) determine the effect of varying tax approaches tried in other
17 jurisdictions, such as Puerto Rico, the Virgin Islands, Hawaii, the
18 Commonwealth of the Northern Mariana Islands, and others,
19 including foreign jurisdictions, to the extent that they are useful for the
20 Commission's purposes;

21 (v) draft proposed tax legislation, incorporating
22 recommendations deemed desirable for Guam after undertaking the
23 study required in paragraphs (i), (ii), (iii), and (iv) of this Subsection (a),
24 and transmit such legislation to the Legislature. Until December 31,
25 1994, a favorable vote of six (6) or more voting members of the
26 Commission on the proposed legislation shall be necessary before its

1 transmittal to the Legislature. After December 31, 1994, a favorable vote
2 of a majority of the voting members shall be necessary.

3 (vi) take any and all steps necessary to communicate with the
4 Federal government regarding Guam's tax system; study existing
5 applicable domestic and international tax laws, tax treaties, and
6 agreements which may have a bearing on the present and future
7 relationship between the United States and Guam; and propose draft
8 modifications of such tax laws, tax treaties, and agreements which
9 might adversely impact upon Guam's development, such drafts and
10 proposals resulting from communications between the Commission and
11 representatives of the Federal government regarding such legislation.

12 (b) Undertake additional duties and responsibilities as follows:

13 (i) develop a specific blueprint for consolidation of government
14 Policy Financial Information System to be administered by a Special
15 Accounting Service, directed by the Controller of the Department of
16 Administration and composed of the Chief of the Taxpayer Services
17 Administration of the Department of Revenue and Taxation, the
18 Budget Analyst Supervisor of the Bureau of Budget and Management
19 Research, a designee of the Chairperson of the Legislature's Committee
20 on Ways and Means, and consulting accountants as required for system
21 development, administration, and automation;

22 (ii) develop a specific blueprint for the consolidation of
23 government economic information as a basis for management of a
24 central Fiscal Policy Economic Information System, including
25 administration of the Guam Econometric Model as provided in item (ii)
26 of Subsection (a) of this Section, to be administered by a Special
27 Economic Service, directed by the Senior Economist of the Department

1 of Revenue and Taxation and composed of the Chief Planner of the
2 Bureau of Planning, the Chief Economist of the Department of
3 Commerce, the Research Manager of the Guam Visitors Bureau, the
4 Senior Economist of the Department of Labor, the Chief Economist of
5 the Bank of Guam, and such consulting economists and statisticians
6 recruited for the purpose of macroeconomic model design,
7 management, and automation;

8 (iii) compile and make available to the Legislature, the Governor,
9 and the public, forecasts of revenues, current and prior year
10 expenditures, and surplus or deficit;

11 (iv) determine the impact of federal expenditures in Guam;

12 (v) make reports to the Legislature and to the Governor as
13 follows:

14 (1) on July 1, 1995, and on a semiannual basis thereafter, the
15 impact of federal expenditures on Guam's economy and
16 employment, including projections of federal expenditures coming
17 into Guam and changes in these expenditures; the impact of these
18 expenditures on Guam's economic growth, employment, tax
19 revenues, and other variables determined to be significant by the
20 Commission, for the next year compared with the previous three
21 (3) years; identify significant federal expenditures or potential
22 expenditures coming into Guam affecting military bases,
23 installations, active duty and retired military personnel within
24 Guam, as well as the impact of the changes in these expenditures.

25 (2) Prepare long-range forecasts of revenues and
26 expenditures for each of the four (4) years immediately beyond the
27 budget year and for the ninth year beyond the budget year.

1 **§19954. Carryover from the Guam Tax Code Commission.** (a)
2 Appropriations, funds, and authority. The Guam Tax Code Commission is
3 terminated, and all appropriations of funds to the Guam Tax Code
4 Commission shall be transferred to the Guam Finance Commission within
5 Thirty (30) days of the effective date of this Section.

6 (b) Membership, vacancies, chairman, and operating procedures. All
7 current individual members of the Guam Tax Code Commission on the
8 effective date of this Section shall be the voting members of the Guam
9 Finance Commission, occupying their respective positions as set out in the
10 provisions of §19951 of this Chapter. Those who were appointed continue to
11 occupy their positions without the necessity for reappointment. Any vacancy
12 occurring among the current individual members shall be filled in the manner
13 set forth in Section 19951 of this Chapter. The former Chairman of the Guam
14 Tax Code Commission is the Chairman of the Guam Finance Commission,
15 and the operating rules and procedures of the Guam Tax Code Commission
16 shall be utilized by the Guam Finance Commission until repealed, modified,
17 or otherwise changed by the Guam Finance Commission.

18 (c) All rights and duties formerly vested in the Guam Tax Code
19 Commission, or any official thereof, shall become vested in the Guam
20 Finance Commission, or any equivalent official thereof, whichever is
21 applicable."

22 **Section 2. Repeal of obligation of Department of Commerce to prepare**
23 **certain economic data and Repeal of obligation of Department of Commerce**
24 **to publish certain economic data.** (a) **Legislative Findings.** The Legislature
25 finds that the Department of Commerce has never devised and prepared, or
26 published economic data known as Gross Island Product, Gross Island Debt,
27 or Income and Product Accounts.

1 **(b) Amendment of Subsection (a) of Section 47060 of the Government**
2 **Code.** Subsection (a) of Section 47060 of the Government Code, amended in
3 Section 15 of Chapter II of Public Law 16-111, is further amended to read:

4 "(a) To investigate, study and undertake ways and means of
5 promoting and encouraging the prosperous development and
6 protection of the interest and welfare of Guam's legitimate business,
7 industry, and commerce, and in connection therewith to investigate
8 and study governmental and other external conditions affecting
9 Guam business, industry and commerce and on the basis thereof to
10 compile, collect, develop and publish quarterly scientific indices and
11 economic indicators including but not limited to economic growth,
12 trade balances, exports and imports, consumer prices and other
13 information relating to economic conditions."

14 **(c) Amendment of Section 47060.1 of the Government Code.** Section
15 47060.1 of the Government Code, added in Section 16 of Chapter II of Public
16 Law 16-111, is further amended to read:

17 "**§47060.1. Priority of Publication.** In the even sufficient funds
18 are not available to the Department to publish all of the material
19 required by §47060.1 (a) of the Government Code, the information
20 gathered shall be published according to the following priorities:

- 21 (a) consumer prices;
22 (b) exports and imports;
23 (c) trade balances; and
24 (d) all other information designated for publication."

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Date: 11/19/93

VOTING SHEET
 (AS REVISED)

Bill No. 582
 Resolution No. _____
 Question: _____

| NAME | AYE | NO | NOT VOTING/ ABSTAINED | ABSENT/ OUT DURING ROLL CALL |
|--------------------------|-----|----|-----------------------------|------------------------------------|
| ADA, Thomas C. | ✓ | | | |
| AGUON, John P. | ✓ | | | |
| ARRIOLA, Elizabeth P. | ✓ | | | |
| BAMBA, J. George | ✓ | | | |
| BLAZ, Anthony C. | ✓ | | | |
| BORDALLO, Madeleine Z. | ✓ | | | |
| BROOKS, Doris F. | ✓ | | | |
| CAMACHO, Felix P. | ✓ | | | |
| DIERKING, Herminia D. | ✓ | | | |
| GUTIERREZ, Carl T. C. | ✓ | | | |
| LUJAN, Pilar C. | ✓ | | | |
| MANIBUSAN, Marilyn D. A. | ✓ | | | |
| NELSON, Ted S. | ✓ | | | |
| PANGELINAN, Vicente C. | ✓ | | | |
| PARKINSON, Don | ✓ | | | |
| REYES, Edward D. | ✓ | | | |
| SAN AGUSTIN, Joe T. | ✓ | | | |
| SANTOS, Francis E. | ✓ | | | |
| SHIMIZU, David L. G. | ✓ | | | |
| TANAKA, Thomas V. C. | ✓ | | | |
| UNPINGCO, Antonio R. | ✓ | | | |

TOTAL 21 0 0 0

Twenty-Second Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407 thru 9
Fax: 477-3161



CARL T.C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means
Vice-Chairman, Committee
on Rules
Vice-Chairman, Committee
on Tourism & Transportation

October 8, 1993

Honorable Speaker Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
155 Hesler St.
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Ways & Means wishes to report out its findings on **BILL NO. 582 "AN ACT TO CREATE THE GUAM FINANCE COMMISSION IN ORDER TO COORDINATE THE FUNCTIONS OF ECONOMIC AND FINANCIAL DATA COLLECTION, ECONOMIC FORECASTING, FINANCIAL MANAGEMENT, AND TAX POLICY FOR THE TERRITORY OF GUAM"** to the full Legislature with the recommendation to do Pass as Substituted by the Committee on Ways and Means.

The Committee Voting Record is as follows:

| | |
|----------------|-----------|
| TO PASS: | <u>14</u> |
| NOT TO PASS: | <u>0</u> |
| ABSTENTIONS: | <u>0</u> |
| INACTIVE FILE: | <u>0</u> |

Copies of the Committee Report and all pertinent documents are attached for your information.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Gutierrez".

CARL T. C. GUTIERREZ
Chairman, Committee on
Ways & Means

Twenty-Second Guam Legislature
Committee on Ways & Means

VOTING SHEET

BILL NO.

582

AN ACT TO CREATE THE GUAM FINANCE COMMISSION IN ORDER TO COORDINATE THE FUNCTIONS OF ECONOMIC AND FINANCIAL DATA COLLECTION, ECONOMIC FORECASTING, FINANCIAL MANAGEMENT, AND TAX POLICY FOR THE TERRITORY OF GUAM.

| | TO PASS | NOT TO PASS | ABSTAIN | TO PLACE IN INACTIVE FILE |
|---|---------|-------------|---------|---------------------------|
| <i>[Signature]</i> Senator Carl T. C. GUTIERREZ Chairman | ✓ | | | |
| <i>[Signature]</i> Senator Herminia D. DIERKING Vice-Chairman | ✓ | | | |
| <i>[Signature]</i> Senator John P. AGUON Member | ✓ | | | |
| <i>[Signature]</i> Senator Elizabeth P. ARRIOLA Member | ✓ | | | |
| <i>[Signature]</i> Senator Thomas C. ADA Member | ✓ | | | |
| <i>[Signature]</i> Senator George BAMBIA Member | ✓ | | | |
| <i>[Signature]</i> Senator Anthony BLAZ Member | ✓ | | | |
| <i>[Signature]</i> Senator Pilar C. LUJAN Member | ✓ | | | |
| <i>[Signature]</i> Senator Marilyn MANIBUSAN Member | ✓ | | | |
| <i>[Signature]</i> Senator Ted S. NELSON Member | ✓ | | | |
| <i>[Signature]</i> Senator Vicente C. PANGELINAN Member | ✓ | | | |
| <i>[Signature]</i> Senator David SHIMIZU Member | ✓ | | | |
| <i>[Signature]</i> Senator Antonio R. UNPINGCO Member | ✓ | | | |
| <i>[Signature]</i> Speaker Joe T. SAN AGUSTIN Ex-Officio Member | ✓ | | | |