



Office of Senator James C. Moylan

I MINA'TRENTAI SAIS NA LIHESLATURAN GUAHAN | 36TH GUAM LEGISLATURE

JUNE 6, 2022

HONORABLE THERESE TERLAJE
SPEAKER, 36TH GUAM LEGISLATURE
163 CHALAN SANTO PAPA
HAGATNA, GUAM 96910

RE: PETITION TO CONSIDER BILLS 260-36, 261-36, 290-36, AND 295-36 AS QUALIFIED MEASURES FOR AN EMERGENCY SESSION.

Dear Speaker Terlaje;

Thank you for your letter dated June 2, 2022. Pursuant to the Standing Rules of the 36th Guam Legislature, I would like to submit this letter as a petition to determine the following measures as an “Emergency”, and to further request for your consideration to utilize the authority vested to your office as the Speaker of the 36th Guam Legislature, to call for an Emergency Session so that these 4 items may be deliberated by Senators at the earliest. The legislation includes:

Bill 260-36: Introduced by Speaker Therese Terlaje
Bill 261-36: Introduced by Speaker Therese Terlaje
Bill 290-36: Introduced by Senator James Moylan
Bill 295-36: Introduced by Senator Joe San Agustin

Pursuant to the Standing Rules, please note the following:

A. JUSTIFYING THE EXISTENCE OF AN EMERGENCY

The four pieces of legislation being noted in this letter are all associated with reducing taxes associated with liquid fuel, and while each represents a unique approach, they all provide some savings element to consumers at the fuel pump. Due to uncontrollable national and global issues, the price of fuel has been quickly increasing, whereas just a month ago there were fears that costs would exceed \$6.00 a gallon, and now we are seeing the prices escalate towards \$6.50 a gallon.

Considering that the island is slowly recovering from a pandemic which resulted in an economic crisis, where many are just getting back to work, these rising costs are very concerning. Fuel plays a significant role in our economy, while representing a decent percentage of a family's monthly fixed expenses. What is more concerning is that experts are predicting that we are not expected to see a reversal in these fuel increases in the near future, and to essentially brace ourselves.

While none of these four pieces of legislation would completely solve this fuel crisis, they each bring an element to the table which would provide consumers some relief at the pump. It could be the difference between \$50 filling half a tank or a little more than one fourth of a tank, or in some cases it could provide a family a few extra bucks in savings to spend at the grocery store. This crisis affects all island residents across the income spectrums, but the impact is felt more among the working class who have not been qualifying for the Governor's relief programs,

SENATOR JAMES C. MOYLAN |

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where federal dollars are utilized.

This issue is not just an emergency, it is a crisis. I am certain you can relate to the importance of prioritizing this issue, hence the reason you introduced two bills to try and bring some relief to consumers. All four measures help to a certain degree, and while Bill 290-36 may be the most ideal measure in these circumstances, at this point passing any of the pieces of legislation is a great start. If we wait until the June session to address any of these bills, fuel costs could easily exceed \$6.50 a gallon.

B. DEMONSTRATING THE INTENDED OUTCOME OF THE PROPOSED LEGISLATION IN ADDRESSING THE EMERGENCY.

Bills 260-36, 261-36, 290-36, and 295-36, are all intended to bring some form of relief to taxpayers at the gas pumps. The measures differ in terms of the type of taxes being exempted, the amount of the savings for the consumer, as well as the timeline of the tax holiday, but considering the fuel crisis, any savings would be beneficial to the consumer. Bill 290-36, for example, proposes a Business Privilege Tax exemption towards fuel, which means under today's fuel cost of \$6.40 a gallon, would represent a \$0.32 a gallon savings for the consumer. As extreme as this emergency is, the intended outcome of these measures is simple.

C. FISCAL IMPACT.

Please see the attached Fiscal Notes for Bills 260-36, 261-36, 290-36, and 295-36. Just to note, it is expected that any tax reduction or a tax holiday will result in a reduction of collections, which impact some operation(s) in the government of Guam. However, none of these 4 measures are being billed as “forever” solutions, and with the administration’s statements of increased collections over projections in FY 21 (and projected for FY 22), these reductions can be addressed.

D. LEGAL BUREAU’S REVIEW OF THE LEGISLATION

N/A

I appreciate your careful consideration of my petition to deem these four pieces of legislation which address reducing fuel costs as emergency measures, and to further use your authority as the Speaker of the 36th Guam Legislature to allow Bills 260-36, 261-36, 290-36, and 295-36 to bypass standard procedures, and be placed on the agenda for an Emergency Session. We can’t afford to wait until the end of the month to have these discussions, and as stated in both my letter dated June 2, 2022, and this petition, I am not advocating for any one piece of legislation (despite my preference for Bill 290-36), but just to assure that lawmakers pass A MEASURE, SOON, to obtain some relief at the pumps. Thank you very much for your time and I look forward to your response.

Respectfully,



James “Jim” Moylan
Senator, 36th Guam Legislature