



Sen. Thomas Ada

Chairman

Committee on Appropriations and Adjudication

I Mina'trentai Kuåtro Na Liheslaturan Guåhan • 34th Guam Legislature

November 29, 2018

Therese M. Terlaje

Acting Speaker

I Mina'trentai Kuåtro na Liheslaturan Guåhan

163 Chalan Santo Papa

Hagåtña, Guam 96910

Re: Request for Waiver of Public Hearing for Bill No. 374-34 (COR)

Dear Acting Speaker Terlaje:

On November 27, 2018 we both received an email from the Office of the Attorney General (OAG) which included an Opinion Memorandum referenced as LEG 18-0554 (AG Opinion) relative to the implementation of the additional real property tax levied pursuant to Public Law 34-116. In the AG Opinion, the question of whether the additional real property tax is limited to improvements valued at exactly \$1 million was answered with a "YES."

Given this AG Opinion and the interpretation contrary to the intent of the Guam Legislature in levying an additional tax on improvements valued at \$1 million *or more*, the Territorial Educational Facilities Fund (TEFF), the fund that receives the Real Property Taxes, is in jeopardy of being short by over \$8 million as a result of the reliance on such additional tax.

I have introduced Bill No. 374-34 (COR) *on Nov 15* (appended to this letter) in hopes of aligning the intent of the Guam Legislature with the language in Guam law.

"AN ACT TO AMEND § 24103 OF CHAPTER 24, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO CLARIFYING THE ADDITIONAL LEVY ON REAL PROPERTY IMPROVEMENTS VALUED AT ONE MILLION DOLLARS (\$1,000,000) OR MORE."

Madam Acting Speaker, the negative cash flow impact of an unexpected \$8 million loss in TEFF revenues poses a direct and critical threat to the health and safety of the people of Guam.

Additionally, in light of impending action by the Department of Revenue and Taxation and the Board of Equalization to publish real property tax rolls without this intended additional tax on improvements valued at \$1 million or more I ask that the Public Hearing requirement for Bill No. 374-34 (COR) be waived as an emergency measure in accordance with § 2103(a), Chapter 2, Title 2 of the Guam Code Annotated. Moreover, I request that I be permitted to place Bill No. 374-34 (COR) before the body for deliberation during this week's session.

Senseramente,

A handwritten signature in blue ink, appearing to read 'T.C. Ada', with a stylized flourish at the end.

Thomas C. Ada