



**Sen. Thomas Ada**  
Chairman

**Committee on Appropriations and Adjudication**  
*I Mina Trentai Kuåtro Na Liheslaturan Guåhan • 34<sup>th</sup> Guam Legislature*

October 17, 2018

Transmitted via Hand Delivery and Electronic Mail  
ebanderson@guamag.org

The Honorable Elizabeth Barret-Anderson  
Attorney General of Guam  
Office of the Attorney General  
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Tamuning, Guam 96913

**Re: Implementation of Additional Real Property Tax Levy Under P.L. 34-116**

Dear Attorney General Barret-Anderson:

As I am sure you recall, the Fiscal Year (FY)2019 Budget Act—Public Law (P.L.) 34-116 – contained a series of revenue enhancement provisions designed to offset a shrinking local tax base. After weeks of painstaking deliberation and compromise surrounding the impacts of the federal Tax Cuts and Jobs Act of 2017, members of *I Liheslaturan Guåhan* passed a FY 2019 budget package that protected basic government services and reduced the cost of government.

I am writing to you now because I am concerned that the Department of Revenue and Taxation (DRT) may be reading provisions of P.L. 34-116 in error—a mistake that would unnecessarily force a multi-million-dollar deficit in the current fiscal year and needlessly intensify our government's daily struggle for cash.

Section 3, Chapter I of P.L. 34-116 codifies an additional Real Property Tax levy on improvements (buildings) valued at \$1 million or more. I have received information indicating that some elements within DRT assume that the absence of an expressed effective date means the provision can be implemented with discretion. As you correctly advised DRT on August 31<sup>st</sup> regarding the effective date of tobacco tax increases pursuant to Section 4, Chapter I of P.L. 34-116—when no effective date is expressed—such provision was effective upon enactment.

In light of your prior verbal guidance on a substantially similar matter and the fact that the updated Real Property Tax roll may soon be approved, I respectfully request that you immediately advise DRT, its leadership, and staff that the additional levy on improvements is in effect as a matter of law.

*Senseramente,*

Thomas C. Ada

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