

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
250-35 (COR)	James C. Moylan	AN ACT TO ADD § 4125 TO CHAPTER 4, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE PRIORITY SPENDING OF ANY FUNDS AVAILABLE IN A BUDGET SURPLUS.	11/19/19 11:47 a.m.						

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 250-35 (COR)

Introduced by:

James C. Moylan 

**AN ACT TO ADD § 4125 TO CHAPTER 4, TITLE 5,
GUAM CODE ANNOTATED, RELATIVE TO THE
PRIORITY SPENDING OF ANY FUNDS AVAILABLE IN
A BUDGET SURPLUS.**

2019 NOV 19 AM 11:47 

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that budget surplus is a common element, and with the government's decision to keep the Business Privilege Tax (BPT) at a higher rate of 5% indefinitely, a surplus should easily be a regular occurrence for the government of Guam. Therefore it is critical that a statute be established to assure that any General Fund surplus, at the end of a Fiscal Year, only be eligible for transfers to either critical needs of the public sector, or to reduce any debt.

With recent discussions of a surplus exceeding \$20 million at the end Fiscal Year 2019, the many considerations of General Fund transfers for less critical needs have been raised and placed on the table, hence the concern that more vital necessities may not be addressed. With a rising crime and drug epidemic, structural problems at the public hospital, and issues with our schools, any surplus that is identified, should only be earmarked for those urgent matters.

Before any budget surplus is utilized for additional government travel, hiring of less critical positions in the public sector, or to fund less urgent programs, it is

1 paramount that this government address this issue and establish a reasonable
2 mandate. Further it is vital that any expenditure which is transferred be transparent
3 in its reporting to the community in general.

4 **Section 2.** § 4125 is hereby *added* to Chapter 4, Title 5, Guam Code
5 Annotated, to read as follows:

6 **“§ 4125. Priority Spending of a Budget Surplus**

7 For the purposes of this Chapter, a “Budget Surplus” shall be defined as any
8 income which exceeds the budgeted expenditure at the end of a Fiscal Year.

9 Notwithstanding any other provisions of the law, rule, regulation, policy
10 and/or procedure, any “Budget Surplus” identified in the General Fund by the
11 Bureau of Budget and Management Research (BBMR) at the end of a Fiscal Year
12 shall only be transferred by the Governor to address any critical needs associated
13 directly with public safety, education or healthcare. If no critical need is identified
14 by the Governor, this surplus shall be used to reduce any debt or deposited in the
15 Rainy Day Fund. If the Governor decides to use any or all of the surplus funds for
16 any other purpose, the request shall only be approved by the Guam Legislature.

17 The Governor shall prepare a report on where the “Budget Surplus” is
18 expended or deposited, within five (5) days of expenditure, and this report shall be
19 presented to the public through an official press release and shall be posted on the
20 website of the Office of the Governor within five (5) days of the completion of the
21 report.”

22 **Section 3. Severability.** If any provision of this Act or its application to
23 any person or circumstance is found to be invalid or contrary to law, such
24 invalidity shall not affect other provisions or applications of this Act that can be
25 given effect without the invalid provision or application, and to this end the
26 provisions of this Act are severable.

27 **Section 4. Effective Date.** The Act shall become effective upon enactment.