




*I Mina'trentai Ocho Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
332-38 (COR)	Jesse A. Lujan Christopher M. Dueñas Vincent A.V. Borja	AN ACT TO <i>ADD</i> A NEW CHAPTER 60 TO DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE DEPARTMENT OF REVENUE AND TAXATION (DRT) HEADQUARTERS OWNERSHIP AND MODERNIZATION EFFICIENCY (H.O.M.E.) ACT, AND AUTHORIZING THE GUAM DEPARTMENT OF REVENUE AND TAXATION TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP (PPP) FOR THE DESIGN, CONSTRUCTION, FINANCING, AND MAINTENANCE OF A NEW HEADQUARTERS FACILITY ON PUBLICLY OWNED LAND.	6/15/26 4:39 p.m.						

***I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2026 (SECOND) Regular Session**

**Bill No. 332-38 (COR)**

Introduced by:

Jesse A. Lujan   
Christopher M. Dueñas   
Vincent A.V. Borja 

**AN ACT TO *ADD* A NEW CHAPTER 60 TO DIVISION 5, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE DEPARTMENT OF REVENUE AND TAXATION (DRT) HEADQUARTERS OWNERSHIP AND MODERNIZATION EFFICIENCY (H.O.M.E.) ACT, AND AUTHORIZING THE GUAM DEPARTMENT OF REVENUE AND TAXATION TO ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP (PPP) FOR THE DESIGN, CONSTRUCTION, FINANCING, AND MAINTENANCE OF A NEW HEADQUARTERS FACILITY ON PUBLICLY OWNED LAND.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that the Guam Department of Revenue and Taxation (DRT) is a critical agency of  
4 the Government of Guam responsible for the administration and enforcement of tax  
5 laws, motor vehicle registration, driver licensing, business licensing, and other  
6 statutory functions essential to the fiscal and regulatory operations of the  
7 government.

8 *I Liheslaturan Guåhan* further finds that the current leased facility housing  
9 DRT headquarters is an aging warehouse-type structure in terrible, even dangerous,  
10 working condition that presents ongoing operational challenges, including

1 infrastructure deficiencies affecting heating, ventilation, air conditioning, plumbing  
2 systems, and other building systems that have resulted in periodic disruptions to the  
3 delivery of public services.

4 *I Liheslaturan Guåhan* further finds that DRT’s operations are currently  
5 distributed across multiple locations, resulting in inefficiencies in internal  
6 coordination, increased operational costs, additional traffic and inconvenience to the  
7 public who must access multiple inconvenient sites to complete related  
8 governmental transactions.

9 *I Liheslaturan Guåhan* further finds that the Government of Guam currently  
10 expends approximately One Million Three Hundred Thousand Dollars (\$1,300,000)  
11 annually for the lease of the DRT headquarters facility in Barrigada, which  
12 comprises more than fifty thousand (50,000) square feet of antiquated warehouse  
13 space, as described above, and represents one of the largest contiguous leased office  
14 spaces occupied by a Government of Guam agency.

15 *I Liheslaturan Guåhan* further finds that DRT has occupied the existing leased  
16 facility since approximately 2006, and over the course of nearly two decades, the  
17 Government of Guam has expended upward of Twenty-Five Million Dollars  
18 (\$25,000,000) in lease payments for the facility not to mention the high costs to  
19 maintain and repair the obsolete building. Despite these substantial expenditures of  
20 public funds, the Government of Guam has acquired no ownership interest or long-  
21 term equity in the facility.

22 *I Liheslaturan Guåhan* further finds that, given the duration of occupancy and  
23 the significant recurring lease expenditures associated with the antiquated facility,  
24 continued reliance on long-term commercial leasing under the current model does  
25 not represent the most prudent, efficient, or fiscally responsible use of taxpayer  
26 resources.

1            *I Liheslaturan Guåhan* further finds that commercial lease expenditures by  
2 the Government of Guam have steadily increased over time, resulting in recurring  
3 costs amounting to millions of dollars annually, and government audits and public  
4 discussions have repeatedly highlighted the need for long-term planning toward the  
5 acquisition or construction of appropriate, modern, permanent government facilities  
6 for the welfare and safety of government employees and the public, and in order to  
7 reduce recurring expenditures and promote greater fiscal sustainability.

8            *I Liheslaturan Guåhan* further finds that DRT’s current leasing arrangement  
9 presents an opportunity to evaluate and implement a long-term solution for the  
10 consolidation and modernization of its headquarters operations.

11            *I Liheslaturan Guåhan* further finds that it is in the best interest of the  
12 Government and people of Guam to develop and maintain public facilities that are  
13 safe, modern, efficient, and accessible, and that support the effective delivery of  
14 essential government services.

15            *I Liheslaturan Guåhan* further finds that a consolidated DRT headquarters  
16 located in an accessible and transportation-efficient area in proximity to Guam’s  
17 north-central area would improve public access to services, enhance inter-divisional  
18 coordination, reduce administrative inefficiencies, and improve overall service  
19 delivery outcomes.

20            *I Liheslaturan Guåhan* further finds that the use of a Public-Private  
21 Partnership (PPP) model for the development of a new DRT headquarters facility  
22 may provide a cost-effective alternative to traditional capital financing by leveraging  
23 private sector resources for the design, financing, construction, and maintenance of  
24 public infrastructure, thereby reducing upfront capital expenditures by the  
25 Government of Guam and providing predictable long-term payment obligations.

26            *I Liheslaturan Guåhan* further finds that appropriately structured Public-  
27 Private Partnership arrangements may allow for the allocation of design,

1 construction, financing, and maintenance risks to the private sector while preserving  
2 public ownership or control of the underlying public asset and promoting efficiency  
3 in project delivery and lifecycle cost management.

4 *I Liheslaturan Guåhan* further finds that the development of a new DRT  
5 headquarters facility may generate economic activity through construction-related  
6 employment, procurement of goods and services, and related economic multiplier  
7 effects while supporting long-term improvements in public sector productivity and  
8 service delivery.

9 *I Liheslaturan Guåhan* further finds that consolidation of DRT’s functions  
10 into a single, modern facility is expected to improve operational efficiency, reduce  
11 redundancies, and enhance coordination among divisions, thereby strengthening the  
12 overall effectiveness of tax administration and related government services.

13 *I Liheslaturan Guåhan* further finds that any procurement or implementation  
14 of a Public-Private Partnership authorized under this Act shall be conducted in a  
15 manner consistent with applicable laws governing procurement, transparency,  
16 accountability, and the protection of the public interest.

17 It is therefore the intent of *I Liheslaturan Guåhan* to authorize the Guam  
18 Department of Revenue and Taxation to enter into a Public-Private Partnership for  
19 the design, financing, construction, and maintenance of a consolidated headquarters  
20 facility on publicly owned land in order to improve operational efficiency, enhance  
21 service delivery, reduce long-term facility costs, and establish a permanent  
22 governmental asset for the people of Guam.

23 **Section 2.** A new Chapter 60, Division 5, Title 5, Guam Code Annotated, is  
24 hereby *added* to read:

25 **“CHAPTER 60**

1                   **THE DEPARTMENT OF REVENUE AND TAXATION (DRT)**  
2                   **HEADQUARTERS OWNERSHIP AND MODERNIZATION EFFICIENCY**  
3                                   **(H.O.M.E.) ACT**

4                   **§ 60101. Title.**

5                   **§ 60102. Definitions.**

6                   **§ 60103. Authorization to Enter into Long-Term Leases.**

7                   **§ 60104. Procurement.**

8                   **§ 60105. Responsibilities of Contractor.**

9                   **§ 60106. Assignments.**

10                  **§ 60107. Use of Tax-Exempt Bonds for Financing.**

11                  **§ 60108. Utilities and Routine Maintenance and Repair.**

12                  **§ 60109. Contractor Responsible for Capital Maintenance.**

13                  **§ 60110. Rules, Regulations and Restrictions.**

14                  **§ 60111. Site Selection, Property Transfer, and Implementation Plan**

15                  **§ 60101. Title.** This Chapter shall be known and may be cited as the  
16 Department of Revenue and Taxation (DRT) Headquarters Ownership and  
17 Modernization Efficiency (H.O.M.E.) Act.

18                  **§ 60102. Definitions.**

19 For purposes of this Chapter and unless otherwise specified, the following words  
20 and phrases are defined to mean:

21                  (a) “Act” means Chapter 59A of Title 5 of the Guam Code Annotated.

22                  (b) “Contractor” shall mean the authorized entity which shall be the  
23 signatory on the Contract and shall be fully responsible for carrying out the design,  
24 construction, financing and maintenance of the Facility.

25                  (c) “Contract” shall mean the design, construction, financing and  
26 maintenance contract entered into by and between the Department and the  
27 Contractor, following negotiations on the response to the Request for Proposal.

1        (d) “Department” shall mean the Guam Department of Revenue and  
2 Taxation (DRT).

3        (e) “Facility” shall mean the Department's new headquarters building and  
4 all ancillary facilities, including but not limited to parking, infrastructure, utilities,  
5 and associated equipment necessary to support all functions of the Department.

6        (f) “Lease” shall mean a ground or site lease of the publicly owned  
7 property leased by the Contractor.

8        (g) “Lease-Back” shall mean the facilities lease or other lease of the  
9 property and constructed Facility from the Contractor to the Department, over the  
10 term of the lease of the publicly owned property by the Contractor within which the  
11 costs of the design, construction, financing and maintenance of the Facility are  
12 amortized.

13        (h) “Property” shall mean any publicly owned property, whether owned by  
14 the Government of Guam, a Government of Guam agency, the Ancestral Land  
15 Commission, or the Chamorro Land Trust Commission, and whether held in fee  
16 simple or leasehold, on which the Facility is to be located.

17        (i) “Capital Maintenance” shall mean major repairs or replacement of  
18 structural, mechanical, electrical, HVAC or other core building systems.

19        (j) “Routine Maintenance” shall mean ordinary upkeep, cleaning, and  
20 minor repairs.

21        **§ 60103. Authorization to Enter into Long-Term Leases.**

22        (a) The Department is hereby authorized to enter into a Lease and/or Lease-  
23 Back agreement with the Contractor, subject to legislative approval, for the design,  
24 construction, financing and maintenance of a Facility on publicly owned property  
25 selected through the procurement process.

26        (b) Any Lease of Property must be for a period reasonably sufficient to  
27 fully amortize over the Lease-Back period the costs associated with the financing,

1 design, construction and maintenance of the Facility. Should the term of the Lease  
2 exceed the term of the Lease-Back then the Lease-Back rent shall be reduced by the  
3 amount of the Lease-Back rental attributable to the amortization costs associated  
4 with the financing, design and construction of the Facility, which when fully  
5 amortized shall be owned by the Department subject to the Lease.

6 (c) The Contractor shall lease back to the Department the Facility for the  
7 Lease-Back period. Upon the expiration of the Lease and the fulfillment of the terms  
8 and conditions of the Lease-Back by the Department, the Facility shall become the  
9 property of the Department for the balance of the term of the Lease, and upon the  
10 expiration of the Lease the Facility shall become the property of the Government or  
11 public entity which owns the Property, and the Contractor shall have no further right,  
12 title or interest in the Facility.

13 **§ 60104. Procurement.**

14 (a) The Department may solicit Requests for Proposals ('RFP') through the  
15 Department of Public Works, in compliance with the Guam Procurement Law, for  
16 the financing, design and construction of the Facility, together with capital  
17 maintenance and routine maintenance over the term of the Lease-Back.

18 (b) Notwithstanding the foregoing, in connection with any amendments to  
19 an existing Lease or Lease-Back, the Contractor with respect to such amendments  
20 shall be the Contractor with respect to the existing Lease or Lease-Back.

21 (c) In order to qualify for selection under this Chapter, a prospective  
22 Contractor, and/or its principals, shall demonstrate the following minimum  
23 qualifications and site criteria as part of their proposal:

24 (1) Demonstrated experience in the planning, financing,  
25 construction, and operation of commercial or government office buildings  
26 within the territory of Guam.

1           (2) A verifiable record of successful execution of leaseback  
2           financing arrangements involving public or institutional tenants, preferably  
3           involving long-term ground leases or government-supported lease  
4           agreements.

5           (d) The proposed site shall be located along Guam’s primary highway,  
6           Marine Corps Drive, in close and convenient proximity to a major intersection, in  
7           proximity to northern-central Guam, to ensure maximum visibility, accessibility,  
8           and efficient vehicular ingress and egress, with sufficient size for adequate,  
9           convenient adjacent parking.

10           (1) The property must also conform to zoning classifications that  
11           permit mixed-use, office, or commercial development.

12           **§ 60105. Responsibilities of Contractor.**

13           (a) The Contract shall require that the Contractor be responsible for all  
14           costs, expenses and fees of any kind or nature, associated with the design, civil  
15           improvements, on-site infrastructure, construction, permits and financing associated  
16           with the completion of the Facility.

17           (b) The Contractor shall also be responsible for the capital maintenance and  
18           upkeep of the Facility during the Lease-Back term.

19           (c) The costs of the design, construction and financing shall be paid in  
20           periodic installments over the Lease-Back period, which shall be mutually  
21           determined by the Department and the Contractor, but which shall not exceed term  
22           of the Lease.

23           (d) The Lease and Lease-Back may provide that if sufficient funds are not  
24           appropriated or otherwise available for the payment of such installments, the  
25           Department will have the obligation to vacate the Facility, and the Contractor shall  
26           have the right of use and occupancy of the Facility for the remainder of the term of  
27           the Lease, unless new mutually satisfactory terms are entered into. The Lease-Back

1 may be extended for a period not to exceed the shorter of ten (10) years beyond the  
2 original Lease-Back term or such period of time as is necessary to repay in full any  
3 financing arranged pursuant to §60106.

4 **§ 60106. Assignments.**

5 To facilitate the purposes of this Chapter and to provide security for the  
6 bondholders, the Contractor may assign, without the need of the consent of the  
7 Department, the Contract, Lease, and Lease-Back to any trustee, underwriter or other  
8 appropriate party necessary to facilitate the issuance of tax-exempt bonds or other  
9 financial instruments to provide the financing for the Facility.

10 **§ 60107. Use of Tax-Exempt Bonds for Financing.**

11 (a) To minimize the financing cost to the Department, all financing utilized  
12 by the Contractor to fund the design, construction and maintenance of the Facility  
13 shall be through tax-exempt bonds or other financial instruments, if a mechanism to  
14 do so is available.

15 (b) The Lease and Lease-Back may include a pledge of Compact Impact  
16 funds, Section 30 funds or other federal grant revenues that are legally available for  
17 such purpose.

18 (c) Any such pledge made hereunder shall be valid and binding from the  
19 time the pledge is made and immediately subject to the lien of such pledge.

20 (d) The revenues pledged and thereafter received by the government of  
21 Guam or by any trustee, depository or custodian shall be deposited in a separate  
22 account and shall be immediately subject to the lien of such pledge without any  
23 physical delivery thereof or further act, and the lien of such pledge shall be valid and  
24 binding against all parties having claims of any kind in tort, contract or otherwise  
25 against the government of Guam or such trustee, depository or custodian,  
26 irrespective of whether the parties have notice thereof.

27 **§ 60108. Utilities and Routine Maintenance and Repair.**

1        (a) The Contractor shall be responsible for the design, installation,  
2 connection, and initial activation of all utility systems serving the Facility, including  
3 electricity, water, wastewater, telecommunications, data, and other utility services  
4 necessary for the operation of the Facility.

5        (b) The Contractor shall be responsible for the payment of all utility  
6 services during the construction period and any period in which the Contractor  
7 retains operational control under the Contract, as specified in the Lease and Lease-  
8 Back agreement.

9        (c) Routine maintenance and upkeep of the Facility, including janitorial  
10 services, landscaping, minor repairs, and day-to-day operational maintenance, shall  
11 be allocated to the Contractor, as expressly defined in the Contract.

12        (d) The Contract shall clearly delineate the respective responsibilities of  
13 the Department and the Contractor for routine operations and maintenance to ensure  
14 continuous, safe, and efficient operation of the Facility.

15        **§ 60109. Contractor Responsible for Capital Maintenance.**

16        (a) The Contractor shall be responsible for all capital maintenance and  
17 repair of the Facility during the term of the Lease-Back agreement, including the  
18 repair or replacement of structural systems and major building components such as  
19 roofing, HVAC systems, electrical systems, plumbing systems, and other core  
20 infrastructure necessary to maintain the Facility in safe, operable condition.

21        (b) The Contract and Lease-Back agreement may further specify that  
22 capital maintenance responsibilities include equipment and systems integral to  
23 Facility operations, including building systems, onsite utility infrastructure, and  
24 related improvements.

25        (c) The Contractor shall be responsible for making all reasonable repairs  
26 and restoration of the Facility in the event of damage caused by natural disasters,  
27 including typhoons, earthquakes, or other force majeure events, to the extent

1 necessary and practicable to restore the Facility to a condition that permits the  
2 Department to resume essential operations as soon as reasonably possible.

3 (d) Restoration efforts under subsection (c) shall prioritize the resumption  
4 of core governmental functions and continuity of public services and shall be  
5 performed in accordance with timelines and standards established in the Contract,  
6 subject to safety, insurance, and force majeure limitations.

7 (e) The Contract may, at the discretion of the Department and as defined in  
8 the procurement documents, allocate limited categories of capital maintenance, such  
9 as offsite utility connections, access roads, or other external infrastructure  
10 improvements, to the Department or other governmental entities where appropriate.

11 (f) The scope, standards, and performance requirements for capital  
12 maintenance, including disaster recovery obligations, shall be established through  
13 the procurement process and incorporated into the final Contract to ensure lifecycle  
14 performance, resilience, cost efficiency, and operational reliability of the Facility.

15 **§ 60110. Rules and Regulations and Restrictions.**

16 The Department of Revenue and Taxation (DRT), in consultation with the  
17 Department of Public Works (DPW), may promulgate rules and regulations  
18 necessary to implement the provisions of this Chapter.

19 **§ 60111. Site Selection, Property Transfer, and Implementation Plan**

20 (a) Upon enactment of this Act, the Department of Revenue and Taxation,  
21 in coordination with the Department of Land Management, the Department of Public  
22 Works, and *I Maga'hågan Guåhan*, shall initiate the site selection process for the  
23 development of the Facility. The site selection process shall be completed within six  
24 (6) months of the effective date of this Act.

25 (b) The site selection process shall include the identification, evaluation,  
26 and recommendation of one (1) or more suitable publicly owned parcels of land for

1 the development of the Facility, consistent with the requirements and objectives of  
2 this Chapter.

3 (c) Notwithstanding any other provision of law, and subject to applicable  
4 federal and local requirements, and the approval of the Guam Ancestral Lands  
5 Commission or the Chamorro Land Trust Commission, as applicable, *I Maga'hågan*  
6 *Guåhan* is hereby authorized to cause the Department to enter into, accept, or  
7 administer only a leasehold interest in Property under the jurisdiction,  
8 administration, or control of the Guam Ancestral Lands Commission or the  
9 Chamorro Land Trust Commission identified through the site selection process, as  
10 necessary for the implementation of this Act.

11 (d) Any transfer authorized under subsection (c) shall be for public purpose  
12 and shall be executed without further legislative action, provided that the transferred  
13 property is used for the development and operation of the Facility authorized under  
14 this Chapter.

15 (e) Within nine (9) months of the effective date of this Act, the Department  
16 of Revenue and Taxation, in coordination with the Department of Public Works and  
17 the Department of Land Management, shall submit to *I Liheslaturan Guåhan* a  
18 comprehensive implementation plan for the execution of this Act.

19 (f) The implementation plan shall include, at a minimum, a proposed  
20 project delivery schedule, procurement strategy, financing structure, and preliminary  
21 cost estimates necessary to carry out the provisions of this Chapter.”

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

27 **Section 4. Effective Date.** This Act shall be effective upon enactment.