

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
257-38 (COR)	Vincent A. V. Borja Shelly V. Calvo V. Anthony Ada Jesse A. Lujan Christopher M. Dueñas Frank F. Blas, Jr. Tina Rose Muña-Barnes Joe S. San Agustin	AN ACT TO <i>AMEND</i> ARTICLE 4 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR CONTRIBUTORS TO PUBLIC SCHOOL SPORTS FACILITIES.	1/20/26 9:18 a.m. ^1/26/26 2:42 p.m.	1/27/26	Committee on Finance and Government Operations.	Request: 1/27/26 2/10/26			




COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

February 10, 2026

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 257-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 257-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly copy the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 257-38 (COR)**

AN ACT TO *AMEND* ARTICLE 4 OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR CONTRIBUTORS TO PUBLIC SCHOOL SPORTS FACILITIES.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Christina D. Garcia, Chief Executive Officer/Administrator
Department's anticipated revenues to date:	\$4,404,743
Department's appropriation(s) to date:	\$0
Total Department/Agency revenues to date:	\$4,404,743

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2025 Unreserved Fund Balance		\$0	\$0
FY 2026 Adopted Revenues	\$0	\$0	\$0
FY 2026 Appro. (P.L. 38-60)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2026 (if applicable)	FY 2027	FY 2028	FY 2029	FY 2030
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? \$ _____ /X/ N/A
3. Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: /X/ Yes / / No
/ / Requested agency comments not received by due date / / Other:

Analyst:	Date: <u>2/5/26</u>	Director:	Date: FEB 09 2026
Joaquin A.J. Guerrero II		Lester L. Carlson, Jr.	

Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 257-38 (COR)

The proposed legislation intends to amend Article 4 of Chapter 77, Title 12 of the Guam Code Annotated (GCA), which authorizes tax credits against Business Privilege Taxes (BPT) and Excise Taxes to incentivize private contributions toward the construction, development, upgrading, repair, and maintenance of public middle and high school sports facilities. The program is structured as a capped, project-based incentive that is a net reduction of General Fund revenues for tangible capital improvements to the Department of Education athletics infrastructure.

The caps imposed on the tax incentives cited within the proposed legislation include the following:

1. Credit against BPT not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) over a five (5) year period, with no more than Two Hundred Fifty Thousand Dollars (\$250,000) per year.
2. Credit against Excise Taxes, excluding those pledged to the Healthy Futures Fund, not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) over a five (5) year period, with no more than Two Hundred Fifty Thousand Dollars (\$250,000) per year.

Per comments provided by the Guam Economic Development Authority, it is recommended to include a targeted amendment and corrective language to § 77403(a) for the authorization of tax credits against “unpledged” BPT, to ensure the bill remains consistent and complies with existing bond covenants while preserving the Legislature’s intent to promote private investment in public school athletic facilities. Guam’s BPT is pledged to secure multiple series of BPT revenue bonds and bond covenants restrict impairments to pledged revenues. As currently drafted, the bill does not explicitly limit credits to the unpledged portion of BPT and represents a compliance gap that must be corrected before enactment. Without the unpledged limitation in the language change as recommended, the bill poses material compliance and credit-rating risks that could expose the government to possible bond defaults and credit downgrades. Chapter 77 of Title 12 GCA already contains multiple project-specific tax credit programs (e.g., Guam Memorial Hospital Medical Equipment, Guam National Youth Football Federation, and if passed, Bill Nos. 228-38 and 257-38) and layering new expanded credits increases cumulative pressure on the tax base if not coordinated with aggregate caps and prioritization.

Lastly, the Bureau notes that any tax credits will pose a negative fiscal impact on overall revenue collections and adversely affect the government’s ability to fund other essential services, including public safety, education, and critical social programs in the annual budget process. The Government of Guam will have to closely monitor its current revenue streams as the federal government is canceling essential federally-funded local programs, which will consequently become a substantial obligation of the local government.