

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
306-38 (COR)	V. Anthony Ada Christopher M. Dueñas Jesse A. Lujan Vincent A.V. Borja Joe S. San Agustin Eulogio Shawn Gumataotao	AN ACT TO <i>ADD</i> A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.	4/10/26 1:49 p.m.	4/17/26 4:19 p.m.	Committee on Finance and Government Operations.	Request: 4/17/26 4/27/26			




COMMITTEE ON RULES

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

April 27, 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. 306-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 306-38 (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. 306-38 (COR)**

AN ACT TO ADD A NEW ARTICLE 15, CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO TAX CREDITS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

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

- Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
- 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
- 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
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- 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: Joaquin A.J. Guerrero II Date: 4/24/26 Director: Lester L. Carson, Jr. Date: **APR 27 2026**

Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 306-38 (COR)

The proposed legislation intends to add new Article 15 to Chapter 77, Title 12 of the Guam Code Annotated, which establishes a one-time ten percent (10%) tax credit for qualified developers who comply with the Land Use Restrictive Agreement (LURA) in the construction of affordable housing units and targets household earnings between fifty percent (50%) and one hundred fifty percent (150%) of Guam's Area Median Income. In its current form, the bill proposes tax credits through two separate mechanisms:

1. Four Percent (4%) funded through redirection of Business Privilege Tax (BPT) by the contractor recipient, and
2. Six Percent (6%) funded through tax credits issued by the Government of Guam, subject to an annual aggregate cap of Ten Million Dollars (\$10,000,000) per fiscal year.

Per comments provided by the Guam Economic Development Authority (GEDA), they support the underlying policy objective of expanding Guam's affordable housing inventory. However, a full program utilization with the combined funding mechanisms would reduce deposits to the General Fund, with potential implications for the Deficit Reduction/Rainy Day Fund and Government of Guam bond covenants. GEDA has identified two substantive concerns that materially affect the fiscal integrity and administrative workability of the program.

First of all, to safeguard the Government of Guam's outstanding BPT-backed bond obligations and preserve the pledge of revenue streams relied upon by bondholders, GEDA recommends that three percent (3%) of the 4% BPT authorized under § 771504 shall be restricted and set aside for the Government of Guam's BPT bond payments (debt service). Only the remaining one percent (1%) of the 4% BPT should be made available for redirection to qualified developers. Allowing the full 4% BPT to be redirected without restriction would reduce the pledge revenue base securing outstanding bonds. This could constitute an impairment of the bond covenants and may expose the Government of Guam to significant financial risks, including potential technical default, credit rating downgrades, or the triggering of accelerated maturity provisions.

Secondly, under § 77503(a)(2), the phrase "any tax credits issued by the Government of Guam" pertaining to the remaining 6% of the total 10% tax credit is ambiguous and presents several administrative and fiscal risks. The bill does not specify which tax revenue stream would fund the 6% tax credit (e.g. BPT, Income Tax, Use Tax, Hotel Occupancy Tax, Real Property Tax, etc.). Without a clearly identified funding source, the Bureau of Budget and Management Research cannot reliably project revenue impacts, model offsets, or measure the program against the § 77103 General Fund Reserve cap. Further, credit certificates cannot be properly scored against a revenue stream, limiting GEDA's ability to issue certificates with assurances that recipients can affectively monetize them.

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.