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
305-38 (COR) As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure.	Joe S. San Agustin V. Anthony Ada Tina Rose Muña-Barnes	AN ACT TO *ADD* A NEW § 75A122(d) AND NEW § 75A124(d) ALL OF CHAPTER 75A, ARTICLE 1, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING.	4/10/26 9:34 a.m.	4/17/26	Committee on Land, Environment, Housing, Agriculture, Parks, and Infrastructure.	Request: 4/17/26 4/23/26	8/25/26 8:30 a.m.	9/16/26 As Amended.	

SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	LAPSED	NOTES
9/28/26	AN ACT TO *ADD* A NEW § 75A122(d) AND A NEW § 75A124(d) BOTH OF ARTICLE 1, CHAPTER 75A, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING.	10/16/26	10/19/26	10/30/26	38-160	10/31/26	Received: 11/5/26 Mess and Comm. Doc. No. 38GL-26-3148

LOURDES A. LEON GUERRERO
GOVERNOR

JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via Email to: speakerblas@guamlegislature.org

38GL-26-3148
OFFICE OF THE SPEAKER
FRANK F. BLAS JR.
NOV 05 2026
Time: 9:32am
Received:

October 30, 2026

THE HON. FRANK BLAS, JR., *Speaker*
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: Bill No. 305-38 (COR), "AN ACT TO ADD A NEW § 75A122(d) AND A NEW § 75A124(d) BOTH OF ARTICLE 1, CHAPTER 75A, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPE OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING."

Håfa Adai Mr. Speaker,

I am allowing Bill No. 305-38 (COR) to lapse into law without my signature.

I support responsible commercial development that generates revenue for the CHamoru Land Trust and helps provide infrastructure for its beneficiaries. However, Bill No. 305-38 (COR) does not clearly define the authority of the CHamoru Land Trust Commission to approve long-term commercial leases and licenses. Conflicting provisions could complicate financing decisions and create disputes over agreements involving Trust property.

Commercial development projects may require lease terms that extend beyond the maturity dates of their financing agreements. Allowing the Commission reasonable flexibility to accommodate these requirements can benefit the Trust and encourage investment. However, the law must clearly establish the limits of the Commission's authority and identify when legislative approval is required.

Under existing law, 21 GCA § 75A122(b)(3) generally limits commercial leases to twenty-five years and licenses issued under § 75A107(c) to twenty-one years, unless the Legislature approves a longer term. These limits provide a clear framework while allowing the Legislature to consider proposals for longer agreements.

Bill No. 305-38 (COR) does not clearly explain how its proposed extension authority would operate within this framework. Proposed § 75A122(d)(4) authorizes the Commission to approve extensions based on financing requirements, "[n]otwithstanding any other provision of law limiting term." However, the same paragraph prohibits the Commission from approving a term that otherwise requires legislative approval. These provisions create uncertainty about whether the Commission may independently approve extensions beyond existing statutory limits or whether legislative approval remains necessary.

The bill also fails to establish a clear maximum extension period. It authorizes extensions "up to not less than ten (10) years beyond the mortgage maturity date," while requiring legislative approval for terms "extending beyond not less than ten (10) years" beyond that date. These conflicting phrases do not establish a definite threshold for legislative approval.

The phrase "up to not less than ten (10) years" is particularly problematic. The words "not less than" establish a minimum rather than a maximum. As written, this language can be interpreted to authorize the Commission to approve extensions of ten years or longer beyond the mortgage maturity date, without establishing a maximum extension period. While the Legislature may have intended to limit the Commission's authority to extensions of no more than ten years, the language does not accomplish that objective. Instead, it creates uncertainty about the maximum term the Commission may approve without legislative approval.

The bill includes several important safeguards. It preserves existing legislative approval requirements, maintains Commission discretion, and requires findings that an amendment serves the Trust's best interests. It also limits extensions to the period reasonably necessary to satisfy financing requirements. However, these safeguards do not resolve the conflicting provisions governing the Commission's authority or establish a clear maximum extension period.

I also recognize the value of the bill's documentation standards and requirements for reporting approved extensions to the Legislature. Its provisions requiring Commission approval and a written cash-flow review before undertaking specified financial obligations involving the Rural Utilities Service and Substantially Underserved Trust Area (SUTA) programs would also support responsible financial management. These provisions deserve consideration in corrective legislation, but they do not resolve the uncertainty surrounding the proposed extension process.

The CHamoru Land Trust must be able to negotiate commercial agreements with confidence that its authority is clearly defined, and the interests of its beneficiaries are protected. Legislation intended to facilitate financing should provide certainty, not create additional questions about the validity of agreements or the approvals they require.

I support legislation that gives the Commission reasonable flexibility to accommodate commercial financing while establishing clear limits on its authority and identifying when legislative approval is necessary. Unfortunately, Bill No. 305-38 (COR) does not fully achieve these objectives. I strongly encourage the Legislature to promptly enact corrective legislation that resolves these conflicting provisions, establishes a clear maximum extension period, and provides certainty to the Commission, prospective tenants, financial institutions, and other parties relying on the law.

For these reasons, I am allowing Bill No. 305-38 (COR) to lapse into law without my signature as ***Public Law No. 38-160.***

Senseramente,

LOURDES A. LEON GUERRERO
I Maga'hågan Guåhan
Governor of Guam

Enclosure(s): Bill No. 305-38 (COR) nka P.L. 38-160
cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

38GL-26-3148
Messages and Communications
RECEIVED
COMMITTEE ON RULES
November 5, 2026
1:55 p.m.
Marie Crisostomo

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

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 305-38 (COR), "AN ACT TO *ADD* A NEW § 75A122(d) AND A NEW § 75A124(d) BOTH OF ARTICLE 1, CHAPTER 75A, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING,"** was on the 16th day of October 2026, duly and regularly passed.

Frank F. Blas, Jr.
Speaker

Attested:

Sabrina Salas Matanane
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 14th day of October, 2026, at 4:53 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date:

Public Law No. 38-160

26619-305

OFFICE OF THE GOVERNOR
CENTRAL FILES OFFICE
Rec'd By:
Date: 10/19/24 Time: 4:53pm

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

Bill No. 305-38 (COR)
As amended by the Committee on Land, Environment, Housing, Agriculture, Parks and Infrastructure.

Introduced by: Joe S. San Agustin
V. Anthony Ada
Tina Rose Muna-Barnes
Chris Barnett
Frank F. Blas, Jr.
Vincent A.V. Borja
Shelly V. Calvo
Christopher M. Dueñas
Eulogio Shawn Gumataotao
Jesse A. Lujan
William A. Parkinson
Sabina Flores Perez
Sabrina Salas Matanane
Telo T. Taitague
Therese M. Terlaje

AN ACT TO *ADD* A NEW § 75A122(d) AND A NEW § 75A124(d) BOTH OF ARTICLE 1, CHAPTER 75A, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that federally-assisted and federally-insured financing programs, including programs administered by the U.S. Department of Housing and Urban Development

(HUD), commonly require ground lease terms that extend beyond the maturity date of the mortgage in order to protect the lender's security interest and preserve the long-term viability and marketability of the mortgaged project.

I Liheslaturan Guåhan further finds that, unlike fee simple ownership, a ground lease may be subject to termination or forfeiture; accordingly, a longer lease term is used in underwriting to reduce the risk that termination of the ground lease could extinguish or materially impair a lender's lien, thereby threatening the financing, continued operation, and transferability of the project.

I Liheslaturan Guåhan further finds that financing sources for CLTC commercial projects may include private lending, bond financing, federally-supported financing, and infrastructure-related financing secured through the U.S. Department of Agriculture's Rural Utilities Service (RUS), including the Substantially Underserved Trust Area (SUTA) Initiative.

I Liheslaturan Guåhan further finds that Bill No. 176-38 (COR), now enacted into law as 5 GCA § 5128, establishes a general mechanism for certain tenants in good standing to obtain additional commercial lease time on government property; however, CLTC commercial leases and commercial licenses remain governed by the more specific provisions of Chapter 75A of Title 21, Guam Code Annotated, and projects requiring financing-driven extensions still require targeted statutory authority addressing underwriting requirements, commercial licenses, and terms tied to mortgage maturity dates or other federal program requirements.

I Liheslaturan Guåhan further finds that eligibility for financing-driven lease and license term extensions should apply to both newly issued commercial leases and commercial licenses, and to existing commercial leases and commercial licenses that are amended, extended, renewed, refinanced, or otherwise modified to meet applicable financing and underwriting requirements, in order to ensure continuity of operations and access to financing for ongoing and future projects.

CLTC commercial lease and commercial license projects to access all types of financing, including without limitation private lending, bond financing, federally-supported financing, and financing secured through RUS, including the SUTA Initiative, when such financing requires a longer ground lease term, for both: (1) new commercial leases and commercial licenses; and (2) existing commercial leases and commercial licenses that are amended, extended, renewed, or refinanced, including where underwriting commonly requires a term extending at least ten (10) years beyond the loan term;

Preserve legislative oversight by requiring that extensions beyond a defined administrative threshold remain subject to approval by *I Liheslaturan Guåhan*, consistent with existing law recognizing that longer terms require legislative approval; provided that the "administrative threshold" under this act shall be a lease or license term extending not less than ten (10) years beyond the mortgage maturity date, as required by applicable financing terms and all underwriting requirements, or such other period required by the applicable federal program, and any term extending beyond that threshold shall require approval by *I Liheslaturan Guåhan* by law;

Protect the public interest by requiring documentation of financing and all underwriting necessity and maintaining lender-protection provisions (including notice of default and opportunity to cure) that support long-term stability of the project and continuity of operations; and

Provide an orderly process under which (1) the CLTC may approve term extensions within its statutory authority; and (2) where Guam statutes require legislative approval for lease or license terms beyond a specified period, including any lease or license term extending beyond not less than ten (10) years beyond the mortgage maturity date, or such other period required by the applicable federal program, and all underwriting requirements, such

extended terms shall be submitted for approval by *I Liheslaturan Guåhan* by law, so that extended terms are implemented through both the CLTC and *I Liheslaturan Guåhan* in compliance with applicable statutes.

Section 2. A new § 75A122(d) is hereby *added* to Article 1 of Chapter 75A, Title 21, Guam Code Annotated, to read:

"(d) Financing-Driven Term Extensions for all types of financing and all underwriting requirements applicable to both new and existing commercial leases and commercial licenses.

(1) Purpose. This Subsection establishes a structured process for extending the term of a commercial lease or commercial license (whether newly issued or already in effect and being amended) where such extension is required as a condition of all underwriting requirements, and for all types of financing (whether private, public, federal, or otherwise), while preserving legislative approval requirements for longer terms.

(2) Definitions. For purposes of this Subsection:

(A) "Financing" means any financing, credit facility, loan, bond, credit-enhancement, guarantee, or other secured or unsecured financing arrangement from any source, including private lenders, bondholders, and federal or territorial programs, and financing secured through the U.S. Department of Agriculture's Rural Utilities Service, including the Substantially Underserved Trust Area Initiative.

(B) "Mortgage Maturity Date" means the stated maturity date of the senior mortgage (or equivalent primary secured loan) for the project.

(C) "Financing Term Requirement" means a documented minimum remaining ground-lease term required by the lender, insurer, guarantor, bond trustee or investor, or financing source, including requirements that the lease extend beyond the Mortgage Maturity Date; including compliance with all underwriting requirements, and underwriting standards that commonly require a lease term extending not less than ten (10) years beyond the mortgage maturity date, or such other period required by the applicable federal program.

(3) Financing Term Standard; CLTC Authority. Upon request by a tenant and submission of required documentation, the Commission shall have the authority to approve an amendment extending the term of a commercial lease or commercial license such that the term equals or exceeds the Financing Term Requirement, including compliance with all underwriting requirements, and underwriting standards that commonly require a lease term extending not less than ten (10) years beyond the mortgage maturity date, or such other period required by the applicable federal program.

(4) Administrative Extension Authority; Commission Action; Statutory Compliance. Notwithstanding any other provision of law limiting term, and upon request by a tenant and submission of required documentation under this Subsection, the Commission may, by resolution adopted at a duly noticed meeting and supported by written findings, approve a financing-driven amendment to a commercial lease or commercial license (whether newly issued or already in effect and being amended) as necessary to satisfy all underwriting requirements and to establish a term that extends up to not less than ten (10) years

beyond the mortgage maturity date, or such other period required by the applicable federal program, provided that the Commission finds that:

(A) the term approved is necessary to satisfy the Financing Term Requirement and all underwriting requirements; and

(B) the tenant has provided documentary evidence from the lender and/or applicable federal program establishing the Financing Term Requirement and all underwriting Requirements; and

(C) the amendment is in the best interest of the Trust and consistent with the purposes of this Chapter.

(D) Nothing in this paragraph (4) shall be construed to authorize the commission to approve any lease or license term that, under applicable Guam statutes, requires approval by *I Liheslaturan Guåhan* by law; and any lease or license term extending beyond not less than ten (10) years beyond the mortgage maturity date, or such other period required by the applicable federal program, and all underwriting requirements, shall require approval by *I Liheslaturan Guåhan* by law; where such approval is required, the commission's approval shall be conditioned upon and subject to approval by *I Liheslaturan Guåhan.*

(E) Notwithstanding any contrary provision contained in any existing or pending commercial lease or commercial license issued or under consideration by the CLTC, the Commission shall have the authority to approve financing-

related amendments, subleases, collateral assignments, leasehold accommodations, tax equity structures, ownership restructuring, and other related modifications reasonably required by lenders, bond financing, tax credit investors, federal financing programs, infrastructure related financing, renewable energy financing programs, and federal energy credit programs, provided that no mortgage, lien, or other encumbrance shall be placed upon any land owned or under the control of the CLTC and any security interest shall be limited solely to project assets, improvements, equipment, revenues, and personal property associated with the financed project.

(5) Legislative Approval Required Beyond Administrative Threshold. Any extension of term beyond the Commission's authority in Paragraph (4) shall require approval by *I Liheslaturan Guåhan* by law. Nothing in this Subsection shall be construed to eliminate or weaken existing requirements that longer terms must be approved by *I Liheslaturan Guåhan.* The CLTC shall implement extended terms only in a manner consistent with applicable statutes requiring legislative approval for lease or license terms beyond a specified period, and where such approval is required, the extended term shall be subject to approval by *I Liheslaturan Guåhan* by law. In addition, any commercial lease or commercial license term extending beyond not less than ten (10) years beyond the mortgage maturity date, or beyond such other period required by the applicable federal program, and any such extension necessary to satisfy all underwriting requirements, shall require approval by *I Liheslaturan Guåhan* by law.

(6) Required Lender-Protection Provisions. Any financing-driven extension approved under this Subsection shall require that the lease or license, as amended, include commercially reasonable lender-protection provisions consistent with the enforcement and cure framework required under this Chapter, including, at a minimum:

(A) written notice of default to any recognized mortgagee or secured lender of record;

(B) a reasonable opportunity for such mortgagee or lender to cure defaults or cause defaults to be cured; and

(C) such estoppels, consents, and non-disturbance terms as are reasonably necessary to satisfy the Financing Term Requirement; provided that nothing herein limits the Commission's rights to enforce material defaults pursuant to this Chapter and the terms of the lease or license, including notice and cure provisions.

(7) Documentation. For purposes of this subsection, requests may be submitted for new commercial leases/licenses or for amendments to existing commercial leases/licenses. The tenant shall submit, at a minimum:

(A) a lender letter or commitment describing the Financing Term Requirement;

(B) the proposed financing term (e.g., 30-year, 35-year, 40-year) and the proposed lease/license term needed to meet the Financing Term Requirement and all underwriting requirements; and

(C) any additional lender or financing source documentation, including any documentation required to satisfy

all underwriting requirements, reasonably required by the Commission.

(8) Recovery of RUS and SUTA Funded Investments. Where infrastructure, utility, site, or project-related investments supporting a commercial lease or commercial license are financed through the U.S. Department of Agriculture's Rural Utilities Service, including the Substantially Underserved Trust Area Initiative, the Commission may, in addition to any annual lease fee or license fee otherwise required by law, recover from the lessee or licensee the full cost of such RUS- and SUTA-funded investments, which cost shall be prorated over the life of the duly executed lease or license agreement.

(9) Relationship to 5 GCA § 5128. Nothing in this Subsection shall be construed to impair any extension authority otherwise available under 5 GCA § 5128 for a tenant in good standing; provided, however, that where a commercial lease or commercial license on CLTC land requires a longer term or other amendment to satisfy a Financing Term Requirement, this Subsection shall govern the financing-driven extension.

(10) No Automatic Extension. Nothing in this Subsection shall be construed to create an entitlement to an extension. The Commission retains discretion to approve or deny a request based on the best interests of the Trust and compliance with law.

(11) Any lease extension granted pursuant to this Section is limited to the period reasonably required by the financing instrument and applicable lender requirements.

(12) The *CHamoru* Land Trust Commission shall establish, pursuant to the provisions of Chapter 9, 5 GCA, administrative

procedures and documentation standards to verify financing-related requests for lease extensions.

(13) All lease extensions granted pursuant to this Section shall be reported to the Speaker of *I Liheslaturan Guåhan* within thirty (30) days following the Commission's approval."

Section 3. A new § 75A124(d) is hereby *added* to Article 1 of Chapter 75A, Title 21, Guam Code Annotated, to read:

"(d) RUS/SUTA Financing; Board Approval; Cash-Flow Review; Funds Availability.

(1) No loan, financing agreement, financial assistance agreement, or other obligation secured through or associated with the U.S. Department of Agriculture's Rural Utilities Service, including the Substantially Underserved Trust Area (SUTA) Initiative, that requires the Commission to make debt-service payments, repayments, matching contributions, reserve contributions, reimbursements, or to pledge, restrict, or otherwise commit CLTC funds or revenues, shall be entered into, accepted, assumed, executed, or materially amended unless first approved by resolution of the Commission at a duly noticed meeting.

(2) Before the Commission acts on such financing, the Administrative Director shall provide the Commission a written cash-flow impact statement identifying, at a minimum: the principal amount and term; projected annual debt service or repayment; the source of repayment; any required matching funds or reserves; any revenues to be pledged, restricted, or committed; and the projected effect on the applicable CLTC fund or funds. The statement shall identify the lawfully available funds proposed to support the CLTC obligation.

(3) Any commitment of CLTC funds under an agreement described in this Subsection shall be strictly limited to and subject to the availability of lawfully available and unencumbered funds authorized for that purpose. Nothing in this Subsection shall be construed to authorize an unfunded obligation, a pledge of the full faith and credit of Guam, or the expenditure or pledge of funds restricted by law for another purpose.

(4) This Subsection shall apply to RUS/SUTA financing agreements entered into or materially amended after the effective date of this Act and shall not be construed to impair the obligations of a financing agreement lawfully executed before the effective date of this Act."

Section 4. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or inorganic, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 5. Effective Date. This Act shall be effective upon enactment.