



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

SEP 26 1997

Refer to
Legislative Secretary

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<i>Pammy Garcia</i>
Time	<i>3:55 p.m.</i>
Date	<i>9-26-97</i>

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 257 (COR), "AN ACT RELATIVE TO EXTENDING THE TIME PERIOD REQUIREMENT FOR THE INITIAL USE OF CHAMORRO LAND TRUST COMMISSION RESIDENTIAL LEASED PROPERTIES BY INDIVIDUALS AND FAMILIES, TO ALLOW FOR BASIC INFRASTRUCTURE DEVELOPMENT AND OTHER LESSEE PREPARATION ACTIVITIES.", which I have signed into law today as Public Law No. 24-62.

Currently, the law requires those who have obtained a Chamorro Land Trust residential lease to build their homes on the land within 1 year. The law also currently makes it quite difficult to obtain outside financing for homes built on Chamorro Land Trust land. Also, it takes time and money to install infrastructure in areas where it is lacking. Since many families have already received their leases and a 1 year deadline is approaching, it is necessary to extend the deadline while difficulties related to obtaining financing are worked out.

Very truly yours,

[Signature]
Carl T. C. Gutierrez
Governor of Guam

Attachment

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

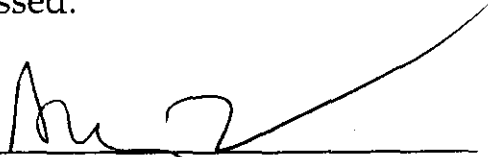
00429

OFFICE OF THE LEGISLATIVE SECRETARY
ANTONIO R. UNPINGCO
Date 9-26-97
Time 3:05 pm
Received by *[Signature]*
Print Name Jenice Mesa

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 257 (COR), "AN ACT RELATIVE TO EXTENDING THE TIME PERIOD REQUIREMENT FOR THE INITIAL USE OF CHAMORRO LAND TRUST COMMISSION RESIDENTIAL LEASED PROPERTIES BY INDIVIDUALS AND FAMILIES, TO ALLOW FOR BASIC INFRASTRUCTURE DEVELOPMENT AND OTHER LESSEE PREPARATION ACTIVITIES," was on the 15th day of September, 1997, duly and regularly passed.



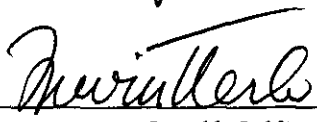
ANTHONY C. BLAZ
Acting Speaker

Attested:




JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by the Governor this 16th day of September, 1997, at
4:35 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 9-26-97

Public Law No. 24-62

TWENTY FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

Bill No. 257 (COR)

As substituted by the Committee on Agriculture, Land, Housing, Community and Human Resources Development and as amended on the Floor.

Introduced By:

F. B. Aguon, Jr.
J. C. Salas
T. C. Ada
E. Barrett-Anderson
A. C. Blaz
J. M.S. Brown
Felix P. Camacho
Francisco P. Camacho
M. C. Charfauros
E. J. Cruz
W. B.S.M. Flores
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena, V
C. A. Leon Guerrero
L. Leon Guerrero
V. C. Pangelinan
A. L.G. Santos
F. E. Santos
A. R. Unpingco
J. Won Pat-Borja

AN ACT RELATIVE TO EXTENDING THE TIME PERIOD REQUIREMENT FOR THE INITIAL USE OF CHAMORRO LAND TRUST COMMISSION RESIDENTIAL LEASED PROPERTIES BY INDIVIDUALS AND FAMILIES, TO ALLOW FOR BASIC INFRASTRUCTURE DEVELOPMENT AND OTHER LESSEE PREPARATION ACTIVITIES.

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

2 **Section 1. Legislative Findings and Intent.** The Guam Legislature
3 finds that the Chamorro Land Trust Commission only recently entered into
4 lease agreements with families and individuals for the use of Commission
5 properties for residential purposes. With the presentation of lease
6 agreements, many families have desired to access their properties in an effort
7 to commence their work on preparing the sight for the construction of their
8 residential dwelling. Due to the need to construct adequate access roads to
9 the areas, it has been quite difficult for these families to proceed with the use
10 of their said properties. Meanwhile, the Chamorro Land Trust Commission is
11 working aggressively in the preparation of plans for the installation of the
12 necessary basic infrastructure, i.e. roads, water, power, into these residential
13 leased properties.

14 Furthermore, and most importantly, it is presently a requirement that
15 the lessee of a residential leased property “shall occupy and commence to use
16 the tract as his home within one (1) year after the lease is made.” Any lessee
17 within the Residential Lease Program may need additional time in excess of
18 the required one (1) year period to occupy and use their properties. A time
19 extension would allow for the installation of necessary basic infrastructure in
20 the residential lease properties, would allow for the processing of
21 construction loan applications, if applicable, with local lending financial
22 institutions, and would allow for the time needed for the completion of the
23 construction of a residential home.

24 As a result of these concerns, it is the intent of the Guam Legislature to
25 insure that the individuals and families granted properties within the

1 Chamorro Land Trust Commission Residential Lease Program are provided
2 adequate time for the occupation and use of their leased properties.
3 Therefore, this proposal would extend the existing one (1) year requirement to
4 three (3) years.

5 **Section 2. Time Extension for the Initial Use of Residential Leased**
6 **Properties with the Chamorro Land Trust Commission.** Any individual or
7 family, otherwise referred to as the lessee, who leases property with the
8 Chamorro Land Trust Commission through its Residential Property Lease
9 Program shall occupy and commence to use the tract as his/her home no later
10 than three (3) years following the availability and installation of necessary
11 basic infrastructure, i.e., road, water and power.



24th GUAM
LEGISLATURE

COMMITTEE ON
AGRICULTURE, LAND, HOUSING,
COMMUNITY & HUMAN RESOURCES DEVELOPMENT

SENATOR JOHN CAMACHO SALAS
CHAIRMAN

September 5, 1997

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

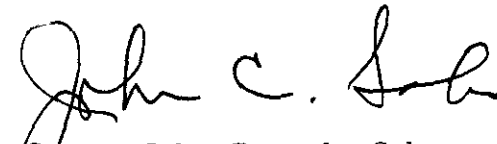
The Committee on Agricultural, Land, Housing, Community & Human Resources Development to which was referred Bill No. 257, has had the same under consideration and now wishes to report back the same with the recommendation **TO DO PASS.**

The Committee votes are as follows:

To Do Pass	6
Not To Pass	0
Abstain	0
Other (Off-Island)	0

A copy of the Committee's report and other pertinent documents are enclosed for your reference and information.

Sincerely,


Senator John Camacho Salas
Chairman

Attachments



24th GUAM LEGISLATURE

SENATOR JOHN CAMACHO SALAS

CHAIRMAN

COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY AND HUMAN RESOURCES DEVELOPMENT

VOTING SHEET

Bill Number 257

Title An Act relative to extending the time period requirement for the initial use of Chamorro Land Trust Commission residential leased properties by individuals and families, to allow for basic infrastructure development and other lessee preparation activities.

TO DO PASS

NOT TO PASS

ABSTAIN

INACTIVE FILE

John C. Salas

✓

John Camacho Salas, Chairman

Edwardo J. Cruz

✓

Edwardo J. Cruz, M.D., Vice-Chairman

Elizabeth Barrett-Anderson

✓

Elizabeth Barrett-Anderson, Member

Larry F. Kasperbauer, Member

Felix P. Camacho

✓

Felix P. Camacho, Member

Carlotta M. Leon Guerrero

✓

Carlotta M. Leon Guerrero, Member

Thomas C. Ada, Member

William B.S.M. Flores, Member

Frank B. Aguon, Jr.
8/21/97

✓

Frank B. Aguon, Jr., Member

FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

BBMR-F7

Bill Number: 257(COR) Date Received: 7/28/97
Amendatory Bill: Yes Date Reviewed: 8/1/97

Department/Agency Affected: Department of Land Management

Department/Agency Head: Carl Aguon

Total FY Appropriation to Date: \$3,694,501 (General Fund)

Bill Title (preamble): AN ACT RELATIVE TO EXTENDING THE TIME PERIOD REQUIREMENT FOR THE INITIAL USE OF CHAMORRO LAND TRUST COMMISSION RESIDENTIAL LEASED PROPERTIES BY INDIVIDUALS AND FAMILIES, TO ALLOW FOR BASIC INFRASTRUCTURE DEVELOPMENT AND OTHER LESSEE PREPARATION.

Change in Law: To amend Section 11-A of P.L. 21-60

Bill's Impact on Present Program Funding:
Increase X Decrease _____ Reallocation _____ No Change _____

Bill is for:
Operations _____ Capital Improvement X Other _____

FINANCIAL/PROGRAM IMPACT

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)			
PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
Natural Resources Recreation & Arts			1/

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL						
OTHER						
TOTAL						1/

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? _____ -- IF NO, ADD'L AMOUNT REQUIRED \$ _____
AGENCY/PERSON/DATE CONTACTED: _____

ESTIMATED POTENTIAL MULTI-YEAR REVENUES						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND						
OTHER						
TOTAL						1/

ANALYST A. Flores DATE 8/15/97 DIRECTOR Francis Balajadia DATE AUG 21 1997
Joseph E. Rivera Acting

FOOTNOTES: 1/Although an appropriation measure is not provided, enactment of Bill No.257(COR) may entail costs for infrastructure development (i.e. roads, water/sewer and power) into such residential leased properties.

**COMMITTEE ON LAND, AGRICULTURE, HOUSING,
COMMUNITY & HUMAN RESOURCES DEVELOPMENT**

PUBLIC HEARING AGENDA

Legislature Public Hearing Room
Thursday, July 31, 1997
6:00 P.M.

- Bill 102 - An act to repeal and reenact Section 2 of Public Law 23-146 relative to the land registration proceedings for the land reserved to implement the program for the "Inarajan Land for the Landless Subdivision act of 1990."

Main Sponsors: A.L.G. Santos, M.C. Charfauros, Felix P. Camacho

P.L. 20-189 directed the Department of Land Management (DLM) to identify and survey land within Inarajan to be used for the "Inarajan Land for the Landless Subdivision act of 1990." DLM designated 120.5 acres of Tract No. 3734 in Ija Inarajan, but the land was never registered. Even though the land was not registered, DLM subdivided 120.5 acres into 305 lots and conveyed 28 of the lots to the program applicants. P.L. 23-146 tried to rectify this situation by directing DLM to initiate land registration proceedings for the lots by representing the Ija Subdivision lot owners in a class action lawsuit.

According to the bill's authors, a class action lawsuit by the government of Guam on behalf of private interests in a land registration proceeding is a legal impossibility. The Land Registration Act contained in Title 21 GCA requires an applicant for registration to be an owner of an estate or interest in the land which is subject of the registration proceeding. The authors state that unless title to the 28 lots is returned to DLM, DLM has no standing to register the subdivided lots.

This act authorizes DLM to enter into contract with Ija Subdivision landowners for the sole purpose of registering the land. Upon the return to the government of all subdivided lots that have been conveyed, DLM will proceed with the registration. Upon completion of registration, DLM shall immediately reconvey the same subdivided lots to the lot owners. DLM will bear all expenses associated with the registration.

- Bill 257 - An act relative to extending the time period requirement for the initial use of the Chamorro Land Trust Commission residential leased properties by individuals and families, to allow for basic infrastructure development and other lessee preparation activities.

Main Sponsor: F.B. Aguon, Jr.

This act extends lease holders time requirement to construct a dwelling on CLTC land from 1 year to 3 years. This extension, according to the bill's author, is to allow for the installation of various infrastructure as well as ample time to secure financing and construct a home.

- Bill 319 - An act to add a new chapter 56 to 22 GCA to regulate export-driven manufacturing in Guam and to prohibit the use of temporary alien labor in export-driven manufacturing in Guam and prevent the establishment of so-called "sweatshops" in Guam.

Main Sponsor: M. Forbes

This act will make illegal the use of any temporary alien labor in the manufacturing of all goods for export out of Guam. Only resident aliens, as defined by the Immigration and Naturalization Service, a citizen of a nation in free association with the United States or a citizen of the United States are allowed to work in these export-driven manufacturing operations.

The penalty for violation is the suspension of an enterprise's license to do business on Guam for a period not less than 6 months.

Testimony in Support of Bill No. 257
July 31, 1997

Senator Salas and members of the Committee on Agriculture, Land, Housing, Community and Human Resource Development, for the record, my name is Julia Alicia Guzman and I am here to offer testimony in support of Bill No. 257.

The Rules and Regulations of the Chamorro Land Trust Commission are stringent in some areas. It has taken the Government of Guam over 20 years to implement the Chamorro Land Trust. After many demonstrations by the community, it finally got off the ground. Applications were submitted and application fees were accepted since December 1996. It has taken over a year to get the first leases signed and people are still not ready to build.

As a lessee, I feel there are still many obstacles to overcome before I can actually begin to build a home. First and foremost is infrastructure. How can I even consider construction of a home when basic infrastructure is not in place? Two, are financial institutions ready to provide financing to lessees, who do not hold title to the land? These are only two points which I have raised. I am sure there are many others. But even with this, it is a lot to deal with. I feel that lessees were forced to sign their leases prematurely, given the fact that surveying had not been completed and basic infrastructure was nowhere being completed at the Agat and Yigo properties.

Thus, I am in support of extending the deadline for lessees to begin occupying their lots from one year to three years. This appears to be the most practical compromise the government can offer. I signed my lease in March 1997 had have yet to see exactly where my lot is at. Four months have passed and under the current rules and regulations, I only have eight months to get financing, building permits, etc. to construct a home. Other people who signed leases in January have even less time to build.

Further, given the financial constraints of GovGuam, what assurances do I have that infrastructure will be in place in the near future? Maybe it would be more appropriate to begin the three year timeline to build and occupy one's lot once the basic infrastructure is in place and not when the lease was signed.

Therefore, as a lessee of Chamorro Land Trust property, I strongly support Bill No. 257 and thank the author for introducing this legislation. I ask this Committee to support this bill and expeditiously put it on the session agenda and pass it as soon as possible. The clock is ticking for many lease holders and it would be unfair to penalize them for not building in the one year time period.

Thank you for giving me the opportunity to offer my testimony.

Committee on Land, Housing, Agriculture, Planning,
Community & Human Resource Development
Committee Report on Bill 257
Publicly Heard July 31, 1997

Bill 257 - An act relative to extending the time period requirement for the initial use of the Chamorro Land Trust Commission residential leased properties by individuals and families, to allow for basic infrastructure development and other lessee preparation activities.

I. ATTENDANCE:

- Senator John C. Salas, Chairman
- Senator Eduardo J. Cruz, Vice-Chairman
- Senator Tom C. Ada, Member
- Senator Frank B. Aguon, Jr., Member
- Senator Mark Forbes, Guest
- Senator Angel L.G. Santos, Guest

II. MAIN SPONSOR:

Senator Frank B. Aguon, Jr.

III. BILL SYNOPSIS:

This act extends lease holders time requirement to construct a dwelling on Chamorro Land Trust Commission land from 1 year to 3 years. This extension, according to the bill's author, is to allow for the installation of various infrastructure as well as ample time to secure financing and construct a home.

IV. TESTIMONY:

Senator Frank Aguon, Jr., author of the bill, gave an overview of Bill 257. He noted that the bill was created in answer to the difficulties Chamorro Land Trust recipients have had in meeting the 1 year deadline as outlined in the CLTC law.

Chairman Salas noted that Senator Aguon had wanted to introduce this measure during a previous Legislative session, but had agreed to hold until the bill could receive a proper public hearing since Chairman Salas is currently working with the CLTC to reform its laws.

Mr. Joe Borja, Director of the Chamorro Land Trust Commission, offered his support of Bill 257. In addition to extending the time limit to have construction on CLTC land, Mr. Borja also mentioned if the committee could look at extending the timeline for transfers of leases in cases of family death.

Chairman Salas asked if this bill were passed into law, would the CLTC have to redo its rules and regulations. **Mr. Borja** replied that it would not. He also mentioned that because of the Commission's non-performance in showing applicants the lots, current applicants are being given exceptions to the 1 year limit. **Chairman Salas** also asked if allowing applicants three (3) years to build on a lot would make it more difficult to remove an applicant should the need arise. **Mr. Borja** felt that it would not. However, he did express concern that applicants might procrastinate until the last minute if given three (3) years to build.

Senator Aguon asked Mr. Borja if the comprehensive changes the CLTC and Chairman Salas are working on will address all issues, including the transfer of title in case of death. Senator Aguon also asked if the CLTC will include in their language a program allowing local banks to work with land recipients. **Mr. Borja** replied that changes in the law will address these issues and that their legal counsel is working with banking institutions to come up with a workable plan. **Senator Aguon** noted that if the comprehensive revision to the CLTC will address these major stumbling blocks, then he would be willing to pull his legislation aside and wait for the Chairman and CLTC to finalize their plan.

Senator Tom Ada noted that as legislation becomes complex to encompass every detail, it also becomes more difficult to pass. Instead, this bill is ready to go and has a specific objective in mind. Because of this, the bill would have a better chance of getting approved by the Legislature. **Mr. Borja** agreed with Senator Ada as the timing is right with CLTC projects coming on line. Chairman Salas agreed that by presenting this bill, it would address an immediate concern and allow leaseholders the extra time to construct on their homes.

Senator Angel L.G. Santos disagreed that the current law requires that a home be completed within one (1) year of securing the lease. He referenced the law's author, former Senator Paul Bordallo, in stating that the law's intent was to prevent a leaseholder from continually procrastinating when it comes to constructing a home. According to Senator Santos, former Senator Bordallo felt that one (1) year was sufficient.

In response to Chairman Salas' question, **Mr. Borja** noted that CLTC legal counsel will advise the committee regarding its position on the law, but he noted that the law uses home, and can be interpreted, using the legal definition, as a complete structure.

Senator Aguon felt that since CLTC lands were being leased out yet there was no basic infrastructure being placed to use the lots, the one (1) year time limit was too unreasonable. He authored the bill because of this situation, and commented his pleasure that the CLTC is placing access roads in their projects, to get closer to allowing leaseholders to construct homes.

V. COMMITTEE FINDINGS

The committee finds that while leaseholders are held to a legal requirement to build a home within 1 year of signing a lease, this requirement is unreasonable. In many cases, lots have not been shown to leaseholders for several months into the lease, and basic infrastructure has not been put in place. However, the bill's 3 year time limit, while giving more time to construct a home, does not address the issue of a lack of infrastructure. The committee felt that if the infrastructure is not in place, leaseholders will again be in the same situation.

VI. COMMITTEE RECOMMENDATION

Therefore, the committee agreed to amend the bill to indicate that leaseholders have one (1) year to construct a home **after** basic infrastructure is in place. This will allow leaseholders time to plan, while ensuring that there is a sense of urgency to utilizing the property. The committee recommends **TO DO PASS**, as substituted.