



# GUAM - January 2019

ASSESS LAND TAXES TWICE TO PREVENT DEFICIT ..... 1

## Assess land taxes twice to prevent deficit

Real property tax rolls have been printed and mailed, and a first payment from landowners is due in a matter of weeks. So did lawmakers miss the boat to fix a mistake in this year’s budget that affects land taxes? Ahead of a public hearing on a measure meant to address a looming revenue deficit tomorrow, Newstalk K57’s Phill Leon Guerrero looks into how government officials are approaching the tricky situation.

“And more.” Two words with multi-million dollar consequences. The omission of that phrase limited a tax increase to improvements made on real property valued at \$1 million—no less, and without those keywords, no more either.

A remedy has been introduced by Senator Joe San Agustin and a trio of freshmen Democrat lawmakers: Jose “Pedo” Terlaje, Sabina Perez, and Clynt Ridgell. The measure is simple enough. It inserts the omitted language to the current rate for land taxes. But the current circumstances are more complicated.

Landowners have already been assessed taxes for the year. An initial payment is due in February. So even if senators pass the fix to the current budget, and even if Governor Lou Leon Guerrero signs it into law, how will the government assess a second round of real property taxes—a financial authorization needed if the legislation is to prevent a revenue deficit as intended.

Further complicating matters: how the solution is to be implemented. This past Friday K57’s Andrea Pellacani spoke to Lester Carlson, the current head of GovGuam’s budget bureau to try and confirm if an additional payment from landowners is what the administration is seeking this year. Carlson, who also led his agency in the recently finished Calvo administration, was clear.

“We’re hopeful that an amended bill for those property owners that are affected will go out and that the assessments can then be provided to the property owners, and that the money is actually received this fiscal year,” Carlson told Pellacani.

But does the government have the legal authority to bill you twice? Perhaps not, but Carlson supposed lawmakers could grant that power to Adelup if needed.

“If there needs to be specific language to support the intent of Bill 4 and authorize in statute that any subsequent billings have force and effect, I would imagine that someone can bring that to the table on Wednesday, during the public hearing,” he proffered.