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CHAPTER 75
CHAMORRO LAND TRUST COMMISSION

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NOTE: EFFECTIVE DATES: Original Chapter VI of the Government Code, Leases and Sales, enacted by P.L. 1-88, was repealed and a new Chapter VI, Chamorro Land Trust Commission (§ §13500 - 13516), enacted by P.L. 12-226. Section 5 of P.L. 12-226 reads as follows:

“Section 5. Effective Date. Section 1 shall take effect in two steps: Section 1 of the bill and Sections 13501 and 13503(b) of Section 2 of the bill shall take effect January 1, 1975. The remaining sections in Section 1, and Sections 2 and 3 shall take effect on the date the Commission has its first meeting.”

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(c) The term *Chamorro homelands* means all lands given the status of Chamorro homelands under the provisions of § 75105 of this Chapter.

(d) The term *Native Chamorro* means any person who became a U.S. citizen by virtue of the authority and enactment of the Organic Act of Guam or descendants of such person.

(e) The term *department* means the Department of Land Management.

SOURCE: GC §13500 repealed and reenacted by P.L. 12-226. Subsection (d) amended by P.L. 15-113:1.

§ 75102. Commission: Composition, Chairman, Compensation.

(a) There is within the government of Guam the Chamorro Land Trust Commission. The Commission shall be composed of five members to be appointed by the Governor with the confirmation of the Legislature. Commission members shall be appointed within sixty (60) days after the enactment of this Chapter. All members shall have been residents of the Territory at least three (3) years prior to their appointment and at least three of the members shall be native Chamorro. Members shall serve terms of three (3) years, provided, however, that of the members first appointed, one shall be appointed for a term of one (1) year and two shall be appointed for terms of two (2) years. The members of the Commission shall be paid at the rate of Fifty Dollars (\$50) for each day's attendance at a meeting of the Commission, provided, however, that such compensation shall not exceed One Hundred dollars (\$100) per month. The Governor shall appoint the Chairman of the Commission from among the members thereof. The Commission shall have its first meeting within twenty (20) days after confirmation of its members.

(b) The Commission may employ such clerical and other assistants who shall be classified employees as may be necessary to effectively execute its responsibilities. In addition, the Commission shall employ and fix the compensation for an Administrative Director who shall serve in a full-time capacity and who shall exercise such powers and authority as may be delegated to him by the Commission. The Director shall be a native Chamorro. Furthermore, the Commission may employ and fix the salary of professional consultants.

SOURCE: GC §13501 repealed and reenacted by P.L. 12-226. Subsection (a) amended by P.L. 13-6:4; 13-74:1 and 15-148:7.

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§ 75103. Administration.

(a) The Commission shall adopt rules, regulations, and policies in accordance with Article 3, Chapter 9 of Title 5 of the Guam Code Annotated, *Government Operations*. The Commission may accept grants, contributions, and appropriations and may make such expenditures, loans and other disbursements as are authorized by this Chapter. These disbursements shall be allowed and paid out in accordance with the direction of the Commission upon presentation to the Administrative Director of itemized vouchers therefor signed by the Commission certifying officer.* The Administrative Director shall give bond in the sum of Five Hundred Thousand Dollars (\$500,000) for the faithful performance of his duties. These funds created by § 75112 of this Chapter shall be maintained separate and apart from any other government fund and shall be in the custody of the Commission certifying officer. The Commission shall make an annual finance and progress report to the Legislature upon the first date of each regular session thereof and such special reports as the Legislature may from time to time require.

(b) When land originally leased by the Commission is, in turn, subleased by the Commission's lessee or sublessee, the Commission shall submit, within ten (10) days of the convening of any regular session, a written report to the Legislature which shall cover the sublease transactions occurring in the calendar year prior to the regular session and shall contain the names of the persons involved in the transaction, the size of the area under lease, the purpose of the lease, the land classification of the area under lease, the lease rental, the reason for approval of the sublease by the Commission, and the estimated net economic result accruing to the Commission lessee, and sublessee.

(c) The Commission shall have the power and authority to invest and re-invest any of the money in any of its funds, not otherwise immediately needed for the purposes of the funds in such bonds and securities authorized in 4 GCA Chapter 8. Any interest or other earnings arising out of such investment shall be credited to and deposited in the Chamorro Home Loan Fund.

NOTE: Reference to Chapter III, Title V of this Code, (Retirement of Public Employees), changed by Compiler to conform with the GCA recodification.

(d) The Commission is authorized to carry on any activities it deems necessary to assist lessees in obtaining maximum utilization of leased lands, including taking any steps necessary to develop these lands for their highest

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and best use commensurate with the purposes for which the land is being leased as provided for in § 75107, and assisting lessees in all phases of farming and ranching operations and the marketing of their agricultural produce and livestock. In these efforts the Commission shall coordinate its efforts with the Department of Agriculture.

(e) The Commission, may designate and plan subdivisions in accordance with the provisions of Chapter 62 of this Title 21 Guam Code Annotated, on available lands, in, adjacent to, or near any village. Subdivision lots shall be leased in accordance with § 75107.

(f) Assistance in the Development and Administrative Implementation of Loan and Fund Programs. The Chamorro Land Trust Commission is authorized to enter into memorandums of agreement, or contract with government or private agencies or lending institutions, relative to servicing loans made or guaranteed by the Commission pursuant to §§ 75112, 75113 and 75114, or other applicable provisions of this Chapter 75, applicable law and regulation.

The Commission shall provide for in its administrative rules and regulations the processes by which non-government of Guam agencies, to include Federal agencies and instrumentalities and private lending institutions, may participate in the Commission's revolving fund and special fund programs, to the extent authorized pursuant to this Chapter 75, applicable law and regulation.

SOURCE: GC §13502 as repealed and reenacted by P.L. 12-226. Subsection (f) added by P.L. 24-220:2.

NOTE: *GC §13502 contained the words "...in accordance with Public Law 12-34" at point of asterisk in subsection (a) above. The portion of the law creating the Territorial Auditor's Office has been repealed and the functions of auditor have been shifted to other agencies of the government (P.L. 17-7). The functions of certifying officers are found in Chapter 14 of Title 4 GCA, *Public Officers and Employees*.

§ 75104. Certain Government Lands Designated Available Lands.

(a) All government lands excluding (1) all lands dedicated to a specific public use by law, and (2) all lands reserved in accordance with '60105 of this Title which reservations are submitted to and concurred in by the Legislature within ninety (90) days of the enactment of this Chapter, are hereby designated as available lands.

(b) Any land acquired by the government by having been declared excess by the U.S. Government, or any agency thereof, after the effective

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date of this Chapter shall acquire the status of ancestral land and be reserved by the Director of the Department of Land Management for the extinguishment of ancestral land claims. All such lands shall be described, surveyed and mapped, and that information shall be sent to the Guam Ancestral Lands Commission to be recorded in the Excess Lands Registry.

SOURCE: GC §13503 repealed and reenacted by P.L. 12-226. P.L. 12-226 provided that effective date of GC §13503(b) was January 1, 1975. Subsection (a) amended by P.L. 22-18:5. Subsection (b) amended by P.L. 25-45:5.

§ 75104.1. Transfer of Lot No. 237-6-1, Agaña.

The Governor shall transfer to the Chamorro Land Trust Commission administrative control of Lot No. 237-6-1, Agaña, which contains an area of 100± square meters and is within Lot 9, Block 9, Agaña, as depicted on sheet 2 of Drawing P-384, recorded in the Department of Land Management as a part of Instrument No. 20083.

SOURCE: Added by P.L. 22-152:6 (12/29/94).

§ 75105. Control by Commission of Available Lands; Return to Department.

Upon and after the enactment of this Chapter, all available lands shall immediately assume the status of Chamorro homelands and shall be under the control of the Commission to be used and disposed of in accordance with the provisions of this Chapter, except that:

(a) In case any government land is under lease, permit or agreement at the enactment of this Chapter, such land shall not assume the status of Chamorro homelands until the lease, permit or agreement expires or the lands are withdrawn from the operation of the lease, permit or agreement. If the land is covered by a lease, permit or agreement containing a withdrawal clause, the department shall withdraw such lands from the operation of the lease permit or agreement whenever the Commission gives notice to it that the lands are required by it for the purposes of this Chapter.

(b) Any available land as may not be immediately needed for the purposes of this Chapter, may be returned to the department for management. Any Chamorro homelands so returned may be disposed of under a general lease only. Each such lease, whether or not stipulated therein, shall be deemed made subject to the right and duty of the department to terminate the lease and return the lands to the Commission whenever the Commission gives notice that the lands are

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required by it for the purposes of this Chapter. However, no lease shall be made for a term to exceed twenty-five (25%) years. All income arising out of any lease or license entered into under this subsection shall be credited to and deposited in the Chamorro Home Loan Fund.

(c) The department may sell to any contiguous landowner any fractional lot placed under its management which was created by the adoption of the standard block system.

(d) In the management of any retained available lands not required for leasing under § 75107, the Commission may lease or license such lands to the general public. Any lease or license made under this subsection shall comply with the conditions of subsection (b) above.

(e) The Commission may, in order to consolidate its holdings or to better effectuate the purposes of this Chapter, exchange the title to available lands for land of an equal value. All lands so acquired by the Commission shall assume the status of available lands as though the same were originally designated as such under § 75104.

(f) The Commission shall not lease or license any available land until it is registered under the provisions of Chapter 29 of this Title (Land Title Registration Law).

(g) The Commission shall utilize Lot No. 382-R1, Inarajan, containing an area of 304.76 acres and being Chamorro Homelands, only for affordable housing

SOURCE: GC §13504 repealed and reenacted by P.L. 12-226. Subsection (g) added by P.L. 22-18:6.

§ 75106. Other Officers Not to Control Chamorro Homelands; Exception.

The powers and duties of the Governor and the department with respect to lands of the territory shall not extend to lands having the status of Chamorro homelands except as specifically provided for in this Chapter.

SOURCE: GC §13505 repealed and reenacted by P.L. 12-226.

§ 75107. Leases to Chamorro, Licenses.

(a) The Commission is authorized to lease to native Chamorros the right to the use and occupancy of a tract or tracts of Chamorro homelands within the following acreage limits per each lessee:

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(1) not less than one quarter (0.25) acre, *nor more than one half (0.50) acre* for subsistence agricultural or aquaculture farming;

(2) not less than one half (0.50) acre, *nor more than twenty (20) acres* for commercial agricultural or aquaculture use;

(3) not less than one (1) acre, *nor more than twenty (20) acres* for grazing use; and

(4) not more than one (1) acre for any class of land to be used as a residential lot.

(b) The title to lands so leased shall remain in the territory. Applications for tracts shall be made to and granted by the Commission under such regulations, not in conflict with any provision of this Chapter, as the Commission may prescribe. The Commission shall, whenever tracts are available, enter into such a lease with any applicant who, in the opinion of the Commission, is qualified to perform the conditions of such lease.

(c) The Commission is authorized to grant licenses for terms of not to exceed twenty-one (21) years in each case, to public utility companies, or corporations as telephone lines, electric power and light lines, gas mains, and the like. The Commission is also authorized to grant licenses for lots within a village in which lands are leased under the provisions of this section, to:

(1) churches, hospitals, public schools, post offices, and other improvements for public purposes;

(2) theaters, garages, service stations, markets, stores, and other mercantile establishments (all of which shall be owned by lessees of the Commission or by organizations formed and controlled by said lessees).

(d) Upon direction by statute from the Legislature, the Commission shall release to the department any unleased available land designated for a public purpose. Such land will no longer be considered to be Chamorro Homelands.

SOURCE: GC §13506 repealed and reenacted by P.L. 12-226. Subsection (d) amended by P.L. 22-18:4. Subsection (a) repealed and reenacted by P.L. 24-318:2; amended by P.L. 27-133:2.

§ 75108. Conditions in Leases.

Each lease made under the authority granted the Commission by the provisions of § 75107 of this Chapter, and the tract in respect to which the

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lease is made, shall be deemed subject to the following conditions, whether or not stipulated in the lease.

(a) The original lessee shall be a native Chamorro, not less than eighteen (18) years of age. In case two lessees either original or in succession marry, they shall choose the lease to be retained, and the remaining lease shall be transferred or canceled in accordance with the provisions of succeeding sections.

(b) The lessee shall pay a rental of One Dollar (\$1.00) a year for the tract and the lease shall be for a term of ninety-nine (99) years.

(c) The lessee shall occupy and commence to use or cultivate the tract as his home or farm within one (1) year after the lease is made.

(i) The lessee of agricultural lands shall plant and maintain *not less than* five (5), ten (10), fifteen (15) and twenty (20) trees per acre of land leased and lessee of grazing lands shall plant and maintain *not less than* two (2), three (3), four (4), and five (5) trees per acre of land leased during the first (1st), second (2nd), third (3rd) and fourth (4th) years, respectively, after the date of the lease. Such trees shall be of types approved by the Department of Agriculture and at locations specified by the Department of Agriculture's agent. Such planting and maintenance shall be by or under the immediate control and direction of the lessee. Such trees shall be furnished by the Department of Agriculture free of charge.

(ii) The lessee of aquaculture lands shall install and maintain not less than three hundred (300) square foot pond, tank or pool per acre of land leased. Such pond, tank or pool shall be at a location and of a type approved by the appropriate agencies. Such aquaculture farming and maintenance shall be by or under the immediate control and direction of the lessee and is subject to local and Federal permit requirements and regulations. The Chamorro Land Trust Commission may refer applicants to the appropriate agencies including, but not limited to: the United States Army Corps of Engineers, the Department of Public Works, the Department of Land Management, the Guam Environmental Protection Agency, the Bureau of Planning, the Department of Agriculture, the Department of Parks and Recreation, the Department of Revenue and Taxation, the Guam Power Authority, the Guam Waterworks Authority and the University of Guam, College of Natural and Applied Sciences, for resources such as permitting,

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planning assistance, industry information and financial assistance. The University of Guam, College of Natural and Applied Sciences is the lead agency for aquaculture development, technical assistance, training and resources. Such species suitable for aquaculture may be furnished by the University of Guam Hatchery (Guam Aquaculture Development and Training Center-GADTC) for a nominal fee, as available.

(d) The lessee shall thereafter, for at least such part of each year as the Commission shall by regulation prescribe, so occupy and use or cultivate the tract on his own behalf. The Administrative Director of the Commission, or the Director of Land Management with respect to non-Commission land, shall approve all requests for the extension of power, water, or telephone services to a qualified applicant on such applicant's request. As used in this Subsection, qualified applicant shall mean:

(1) Any person occupying land pursuant to a lease, land use permit issued, or other permission from the government of Guam, or from any agency thereof to the person occupying the land, to a relative of the person occupying the land, or to an ancestor of the person occupying the land, which land is claimed by the government of Guam and/or the Commission; or

(2) Any person who, on the effective date of the amendment to this Subsection, is actually occupying land which is claimed by the government of Guam and/or the Commission and who has actually occupied such land for more than six (6) months immediately last past.

(3) As used in this Subsection, government of Guam shall include all of the government of Guam, its agencies and instrumentalities, including autonomous agencies, except for the Commission.

Water shall be metered for both private and agricultural/aquaculture use. Approval by the Administrative Director of the Commission, or the Director of Land Management, does not waive any of the utilities= requirements or restrictions for the installation of the utilities, and the qualified applicant shall be responsible for paying the actual connection fees. The application, issuance, and connection of utilities shall *not* prejudice anyone in any ejection action, quiet title action, litigation or claim relating to the property, nor shall it be construed as an admission, nor shall it create any presumptions.

(A) The application for a utility extension pursuant to this Subsection and the connection of utilities shall in no way prejudice the

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qualified applicant in any way as to any claim or litigation relating to ownership of the land in question, the validity of any lease or land use permit, the right of the qualified applicant to occupy the property, or the qualified applicant's use of the property. By so applying for utilities, the qualified applicant is in no way admitting, recognizing or ratifying any claim which the government of Guam or the Commission may have to the land in question.

(B) The granting of a utility extension pursuant to this Subsection and the connection of utilities shall in no way prejudice the government of Guam or the Commission in any way as to any claim or litigation relating to ownership of the land in question, the validity of any lease or land use permit, the right of the qualified applicant to occupy the property, or the qualified applicant's use of the property. By so granting such a clearance, neither the government of Guam nor the Commission is in any way admitting, recognizing or ratifying any claim which the qualified applicant may have to the land in question.

(e) The lessee shall not in any manner transfer to, or mortgage, pledge, or otherwise hold for the benefit of, any other person or group of persons or organizations of any kind, except a native Chamorro or Chamorros; and then only upon the approval of the Commission, or agree so to transfer, mortgage, pledge, or otherwise hold, his interest in the tract. Such interest shall not, except in pursuance of such a transfer, mortgage, or pledge to or holding for or agreement with a native Chamorro or Chamorros approved of by the Commission or for any indebtedness due the Commission or for taxes, or for any other indebtedness the payment of which has been assured by the Commission, including loans from governmental agencies where such loans have been approved by the Commission, be subject to attachment, levy, or sale upon court process. The lessee shall not sublet his interest in the tract or improvements thereon.

(f) The lessee shall pay all taxes assessed upon the tract and improvements thereon. The Commission may in its discretion pay such taxes and have a lien therefor as provided by § 75114 of this Law.

(g) The lessee shall perform such other conditions, not in conflict with any provision of this Chapter, as the Commission may stipulate in the lease, provided, however, that an original lessee shall be exempt from all taxes for the first seven (7) years from date of lease.

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(h) The Commission may assure the repayment of loans to lessees from local or Federal governmental agencies or instrumentalities, or private lending institutions where such loans have been approved by the Commission up to the limits prescribed in § 75112 of this Chapter; provided, that the lessee has no indebtedness due the Commission and the Commission shall not make any loans to the lessee while loans from local and Federal governmental agencies or instrumentalities, or private lending institutions, and guaranteed by the Commission are outstanding; provided further, that upon receipt of notice of default in the payment of such loans, the Commission, may upon failure of lessee to cure the default within sixty (60) calendar days, cancel the lease and thereupon use its best efforts to dispose of the tract to a qualified and responsible native Chamorro or Chamorros as a new lessee who will assume the obligation of the outstanding debt thereby assured, and to make payments to the local or Federal governmental agency, or instrumentality or private lending institution, from available funds either for monthly payments as they become due and payable or for the amount of the debt. In no event shall the aggregate amount assured by the Commission exceed the ability of the Chamorro Loan Guarantee Fund to reasonably provide security for the loans authorized.

SOURCE: GC §13507 repealed and reenacted by P.L. 12-226. Subsection (c) amended by P.L. 27-133:3. Subsection (d) repealed/reenacted by P.L. 22-157:2 (12/30/94), amended by P.L. 27-133:4. Subsection (h) amended by P.L. 24-168:10.

§ 75108.1. Cottage Industry Activity Authorized.

(a) In accordance with the laws of Guam, and subject to rules and regulations promulgated by the *Chamorro* Land Trust Commission, residential leaseholders are authorized to conduct small-scale cottage industry activities, in which goods and services are produced primarily within their leased residential lots and in which the total net income earned on those lots *does not exceed* Fifty Thousand Dollars (\$50,000.00) per annum. The following cottage industry activities are authorized:

- 1) Farm Produce & Light Agriculture.
- 2) Baking & Producing Foodstuff.
- 3) Arts & Crafts.
- 4) Cultural Practitioning.
- 5) Alternative Medicine (*Suruhanu/Suruhana*).

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- 6) Dress Making.
- 7) Growing & Selling Plants and Flowers.
- 8) Repair of Personal Effects.

(b) The *Chamorro* Land Trust Commission shall, pursuant to the Administrative Adjudication Act, promulgate rules and regulations governing cottage industry activities. These rules and regulations shall include environmental considerations to protect the quality of life for surrounding residents.

SOURCE: Added by P.L. 28-059:2 as § 75108.50, re-numbered by compiler since §§ 75108.2-75108.50 does not exist.

§ 75109. Successors to Lessees.

(a) Upon the death of the lessee, his interest in the tract or tracts and the improvements thereon, including growing crops (either on the tract or in any collective contract or program to which the lessee is a party by virtue of his interest in the tract or tracts), shall vest in the relatives of the decedent as provided in this paragraph. From the following relatives of the lessee, husband and wife, children, widows or widowers of the brothers and sisters, or nieces and nephews,--the lessee shall designate the person or persons to whom he directs his interest in the tract or tracts to vest upon his death. Such person or persons must be qualified to be a lessee of Chamorro homelands: provided, that such person or persons need not be eighteen (18) years of age. Such designation must be in writing, must be specified at the time of execution of such lease with a right in such lessee in similar manner to change such beneficiary at anytime and shall be filed with the Commission and approved by the Commission in order to be effective to vest such interests in the successor or successors so named.

In the absence of such a designation as approved by the Commission, the Commission shall select from the relatives of the lessee in order named above as limited by the foregoing paragraph one or more persons who are qualified to be lessees of Chamorro homelands except as hereinabove provided, as the successor or successors of the lessee's interest in the tract or tracts, and upon the death of the lessee, his interest shall vest in the person or persons so selected. The Commission may select such a successor or successors after the death of the lessee, and the rights to the use and occupancy of the tract or tracts may be made effective as of the date of the death of such lessee.

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In the case of the death of a lessee leaving no such relative qualified to be a lessee of Chamorro homelands, the land subject to the lease shall resume its status as unleased Chamorro homelands and the Commission is authorized to lease such land to a native Chamorro or Chamorros as provided in this Chapter.

Upon the death of a lessee leaving no such relative qualified to be a lessee of Chamorro homelands, or the cancellation of a lease by the Commission, or the surrender of a lease by the lessee, the Commission shall appraise the value of all such improvements and growing crops and shall pay to the legal representative of the deceased lessee, or to the previous lessee, as the case may be, the value thereof, less any indebtedness to the Commission, or for taxes, or for any other indebtedness the payment of which has been assured by the Commission, from the deceased lessee or the previous lessee. Such payment shall be made out of the loan fund and shall be considered an advance therefrom reimbursable out of payments made by the successor or successors to the tract involved. Such appraisal shall be made by three appraisers, one of which shall be named by the Commission, one by the previous lessee or the legal representative of the deceased lessee, as the case may be, and the third shall be selected by the two appraisers hereinbefore mentioned.

(b) After the cancellation of a lease by the Commission in accordance with the provisions of § 75110 or § 75114 of this Chapter, or the surrender of a lease by a lessee, the Commission is authorized to transfer the lease or to issue a new lease to any qualified Chamorro regardless of whether or not he is related in any way by blood or marriage to the previous lessee.

(c) Should any successor or successors to a tract be a minor or minors, the Commission may appoint a guardian therefor subject to the approval of the Superior Court. Such guardian shall be authorized to represent the successor or successors in all matters pertaining to the leasehold: provided, that said guardian shall, in so representing such successor or successors, comply with the provisions of this Chapter and the stipulations and provisions contained in the lease, except that said guardian need not be a native Chamorro as defined in § 75101 of this Chapter.

SOURCE: GC §13508 repealed and reenacted by P.L. 12-226.

§ 75110. Cancellation of Leases.

Whenever the Commission has reason to believe that any condition enumerated in § 75108 or any provision of § 75109 of this Chapter has been

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violated, the Commission shall give due notice and afford opportunity for a hearing to the lessee of the tract in respect to which the alleged violation relates or to the successor of the lessee's interest therein, as the case demands. If upon such hearing the Commission finds that the lessee or successor has violated any condition in respect to the leasing of such tract, the Commission may declare his interest in the tract and all improvements thereon to be forfeited and the lease in respect thereto canceled and shall thereupon order the tract to be vacated within a reasonable time. The right to the use and occupancy of the Chamorro homelands contained in such tract shall thereupon revert in the Commission and the Commission may take possession of the tract and the improvements thereon.

SOURCE: GC §13509 repealed and reenacted by P.L. 12-226.

§ 75111. Community Pastures.

The Commission shall, when practicable, provide from the Chamorro homelands a community pasture adjacent to each village.

SOURCE: GC §13510 repealed and reenacted by P.L. 12-226.

§ 75112. Chamorro Home Loan Fund; Chamorro Home Development Fund; Chamorro Educational Fund; Chamorro Commercial Loan Fund; Chamorro Home Repair Loan Fund; and the Chamorro Loan Guarantee Fund.

(a) There are hereby established three (3) revolving funds to be known as the Chamorro Home Loan Fund, the Chamorro Commercial Loan Fund and the Chamorro Home Repair Fund and four (4) special funds to be known as the Chamorro Home Development Fund, the Chamorro Educational Assistance Fund, Chamorro Land Trust Operations Fund and the Chamorro Loan Guarantee Fund.

(b) Chamorro Home Loan Fund. There is hereby authorized to be appropriated from the Unappropriated Surplus of the General Fund the sum of One Million Dollars (\$1,000,000) as initial capital to said Fund. In furtherance of the purposes herein, the Commission may do any one or more of the following with moneys from this Fund and any borrowed moneys under (6) herein below.

(1) The Commission may extend the benefits of the Fund only to native Chamorros as defined in this Chapter.

(2) The Commission may loan, or guarantee the repayment of or otherwise underwrite any authorized loan, up to a maximum amount

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not to exceed the financial ability of the borrower to satisfy the indebtedness as approved by the lender; provided, that where, upon the death of a lessee living on Chamorro homelands who leaves no relatives qualified to be a lessee of Chamorro homelands, or in the event of the cancellation of a lease by the lessee or by the Commission for cause, then the Commission shall be authorized to make payment and to permit assumption of loans, subject to the provisions of § 75113(b).

(3) Where the dwelling is on Chamorro homelands, anything in the Chapter to the contrary notwithstanding, either the Commission or other governmental agencies may make loans, and the loans made in connection with the repair or maintenance or purchase or erection or improvement of dwellings shall be subject to, all applicable provisions of the Chapter, including but not limited to the provisions of §§ 75107, 75108, 75109, 75110, 75113, 75114 and 75116, and to such legislative amendments of the Chapter herein or thereafter enacted, provided such amendments do not change the qualifications of lessees or constitute a reduction or impairment of the Chamorros Home Loan Fund, or Chamorro Home Development Fund or otherwise required the consent of the United States. Loans made to lessees by governmental agencies shall be approved by the Commission, and the Commission may assure the payment of such loans, provided that the Commission shall reserve the following rights, among others: the right of succession to the lessee's interest and assumption of the contract of loan; right to require that written notice be given to the Commission immediately upon default or delinquency of the lessee; and any other rights necessary to protect the monetary and other interests of the Commission.

(4) Where the dwelling is on non-Chamorro homelands, anything in the Chapter to the contrary notwithstanding, either the Commission or financial institutions may make loans, and in connection with such loans, the Commission shall be governed by, and the loans made in connection with the repair or maintenance or purchase or erection or improvement of dwellings shall be subject to, such terms and conditions as the Commission may, by rules and regulations promulgate, provided, the Commission shall require any loan made or guaranteed or otherwise underwritten to be secured adequately and suitably by a first or second mortgage or other securities;

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(5) The Commission shall establish interest rate or rates at two and one-half per cent (2-1/2%) a year or higher, in connection with authorized loans on Chamorro homelands or non-Chamorro homelands, and where the going rate of interest on loans made by financial institutions to native Chamorros is higher, pay from the Fund or the moneys borrowed, the difference in interest rates;

(6) The Commission may borrow and deposit funds into a special revolving account for the purposes of repairing, maintaining, purchasing, erecting or improving dwellings on Chamorro homelands and non-Chamorro homelands and related purposes from financial institutions, governmental, or private;

The Commission may purchase or otherwise acquire, or agree so to do, before or after default, any notes and mortgages or other securities, covering loans under this program made by financial institutions, and guarantee the repayment of or otherwise underwrite the loans, and accept the assignment of any notes and mortgages or other securities in connection therewith;

(7) The Commission may exercise the functions and reserved rights of a lender of money or mortgagee of residential property in all loans by financial institutions made to Chamorros under this program. The functions and reserved rights shall include but not be limited to, the purchasing, repurchasing, servicing, selling, foreclosing, buying upon foreclosure, guaranteeing the repayment or otherwise underwriting, of any loan, protecting of security interest, and after foreclosure, the repairing, renovating or modernization and sale of the property covered by the loan and mortgage, to achieve the purposes of this program while protecting the monetary and other interests of the Commission.

(c) Chamorro Home Development Fund. Twenty-five percent (25%) of the amount of moneys covered into the Chamorro Home Loan Fund annually shall be transferred into the Chamorro Home Development Fund. The moneys in said development fund shall be available, with the prior written approval of the Governor for construction of sanitary sewage facilities for the construction of roads through and over Chamorro homelands, and for other non-revenue producing improvements.

(d) Match moneys. The Commission is authorized and empowered to use moneys in the development fund, with the prior written approval of the

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Governor, to match Federal funds available for the same purposes and to that end is authorized to enter into such undertakings, agree to such conditions, transfer funds therein available for such expenditures and to perform such other acts and things, as may be necessary or required, as a condition to securing match funds for such projects or works.

(e) Chamorro Education Assistance Fund. Ten percent (10%) of the amount of moneys covered into the Chamorro Home Loan Fund annually shall be transferred into the Chamorro Educational Assistance Fund. The Guam Public School System shall establish and direct educational projects after consultation with the University of Guam and the Commission which shall be directed primarily for the educational improvement of the children of lessees, which shall be funded with this Fund with prior written approval of the Governor.

(f) Chamorro Commercial Loan Fund. The Commission is authorized to create a Fund out of which loans may be made to those holding leases issued under § 75107 of this Chapter. The loans shall be for theaters, garages, service stations, markets, stores, and other mercantile establishments and these shall all be owned by lessees or by organizations formed and controlled by said lessees. The amount and duration of loans from this Fund at any one time to any lessee, or successor or successors in interest, shall be determined by the Commission on the basis of the proposed operations of lessee(s) and the security available, provided that where, upon the death of a lessee leaving no relative qualified to be a lessee of Chamorro homelands, or the cancellation of a lease by the Commission, or the surrender of a lease by the lessee, the Commission shall make the payment provided for by § 75109(a). The amount of any such payment made to the legal representative of the deceased lessee, or to the previous lessee, as the case may be, shall be considered as part or all, of any such loan to the successor or successors, without limitations as to any pre-established maximum amount but subject to provisions of Paragraph (b) of § 75113.

(g) Chamorro Home Repair Loan Fund. There is hereby authorized to be appropriated from the Unappropriated Surplus of the General Fund the sum of One Hundred Thousand Dollars (\$100,000) for the Chamorro Home Repair Loan Fund. The moneys in this Fund shall be used to make loans in amounts not in excess of Five Thousand Dollars (\$5,000) to lessees for repairs to their existing homes and for necessary additions to such homes

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due to increase in family size. Such loans may be made for periods not to exceed five (5) years.

(h) The Chamorro Loan Guarantee Fund. The Commission is authorized to create a Fund out of which loans made by governmental agencies or lending institutions to those holding leases or licenses issued under § 75107 of this Chapter may be guaranteed. This guarantee may be for home or commercial loan purposes. The loan guarantees shall be subject to the restrictions imposed by '§ 75108 and 75113 of this Act.

The Commission's guarantee of repayment shall be adequate security for a loan under any Guam law prescribing the nature, amount, or form of security, or requiring security upon which loans may be made. This guarantee shall include, but not be limited to, loans secured or obtained through the CIP and other programs of the Federal Home Loan Bank of Seattle, United States Federal agencies and instrumentalities, or any other public or private lending institution or program duly authorized to do business on Guam.

(1) Loan Default Remedy. In the event of a loan default, the Commission shall offer and reassign to the next qualified applicant the opportunity to assume any loan in default guaranteed by the Chamorro Loan Guarantee Fund. The Commission shall pursue this remedy to avert a loan default prior to making any direct repayment of a loan and accrued interest with funds from the Chamorro Loan Guarantee Fund.

(2) For purposes of this Section, a mortgage is considered in default when payments due upon the mortgage have not been satisfactorily tendered for a period of one hundred twenty (120) calendar days. The lending institutions shall provide to the Commission advance notice of a potential default in instances where payments due upon a mortgage have not been satisfactorily tendered for a period of sixty (60) calendar days. In cases where the mortgage or loan is obtained through the lending programs of United States agencies and instrumentalities, the period a loan is deemed to be in default if payments due upon the mortgage have not been satisfactorily tendered are determined by the applicable laws, rules and regulations of the respective programs.

(3) Upon notification of the default of a loan guaranteed by the Chamorro Loan Guarantee Fund, the Commission shall, during the period pending reassignment of the loan or the determination of the

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Commission to directly repay the loan and accrued interest due, bring current the payments due the lender with funds so reserved for such purposes in the Chamorro Loan Guarantee Fund. The aggregate amount of the payments made by the Commission to bring the loan current may be recovered by the Commission by adding such amount to the principal amount of the loan being reassigned to and assumed by a qualified Chamorro. All funds so expended and subsequently recovered shall be deposited in the Chamorro Loan Guarantee Fund.

(i) Applicable Taxes on Improvements to Chamorro Homelands, and Payment in Lieu of Taxes. Notwithstanding any other provision of law:

(1) Taxes on Improvements to Chamorro Land Trust Land. The holder of any lease or license for the occupation or beneficial use of Chamorro Homelands shall be subject to all applicable taxes on any improvements to any tract so leased or licensed. Taxes assessed for improvements shall be collected by the Department of Revenue and Taxation, which shall maintain a separate record for all such taxes collected.

(2) Payment in Lieu of Real Property Taxes on Chamorro Land Trust Land. In lieu of payment of real property taxes, the holder of any lease or license for the occupation or beneficial use of Chamorro Homelands shall pay to the Department of Revenue and Taxation the equivalent sum which would otherwise be paid to the government of Guam in real property taxes, as if the tract or tracts were taxable private real property. For the purpose of accessing payment in lieu of taxes, the Department of Revenue and Taxation shall determine and collect an assessment in a manner consistent with the assessment of real property taxes for privately owned real property. The Department of Revenue and Taxation shall maintain a separate record of all payments in lieu of taxes collected.

(3) Deposit and Earmarking of Funds Collected. All taxes on improvements or payments in lieu of taxes identified in Items 1 and 2 of Subsection (i) of this Section shall be deposited in the Chamorro Loan Guarantee Fund, and is earmarked to carry out the purposes set forth pursuant to this Chapter.

(j) The Chamorro Land Trust Operations Fund. The Commission shall create a Fund called the Chamorro Land Trust Operations Fund (Fund), which shall be maintained separate and apart from any other funds

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and is subject to *I Liheslaturan Guåhan*'s appropriation beginning in Fiscal Year 2006. Notwithstanding any other provision requiring the deposit of proceeds to other funds, the Fund shall receive the proceeds of all land use permits, monetary contributions and fees. The Commission shall create, within thirty (30) days of enactment, a reconciliation of all accounts in which such proceeds were deposited and shall transfer the remaining balances to the Fund. The Fund shall be used for the operational expenses of the Chamorro Land Trust Commission.

The Commission shall report on a quarterly basis to the Speaker of *I Liheslaturan Guåhan* the revenues collected and expended from the Fund and post the same on the Commission's website. The Fund shall be subject to audit by the Guam Public Auditor.

SOURCE: GC §13511 repealed and reenacted by P.L. 12-226. Subsection (h) amended by P.L. 24-168:8. Subsection (i) added by P.L. 24-168:9. Subsection (b)(2) amended by P.L. 24-168:11. Subsection (a) amended by P.L. 28-068:IV:29 (Sept. 30, 2005). Subsection (j) added by P.L. 28-068:IV:30 (Sept. 30, 2005).

COMMENT: Reference to "Department of Education" in subsection (e) changed to "Guam Public School System" pursuant to P.L. 28-045:10 (June 6, 2005).

§ 75113. Conditions of Loans.

Except as otherwise provided in § 75112, each contract of loan under this chapter with the lessee or any successor or successors to his interest shall be held subject to the following conditions whether or not stipulated in the contract loan:

(a) The loans shall be repaid in periodic installments, such installments to be monthly, quarterly, semi-annual or annual as may be determined by the Commission in each case. The term of any loan shall not exceed thirty (30) years. Payments of any sum in addition to the required installments, or payment of the entire amount of the loan, may be made at any time within the term of the loan. All unpaid balances of principal shall bear interest at the rate of two and one-half percent (22%) a year for loans made directly from the Chamorro Home Loan Fund, or at the rate of two and one-half percent (22%), or higher, as established by law, rule or regulation for other loans made or guaranteed by the Commission, payable periodically or upon demand as the Commission may determine. The payment of any installment due shall be postponed in whole or in part by the Commission for such reasons as it deems good and sufficient and until such later date as it deems advisable. Such postponed payments shall continue to bear

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interest at the rate of two and one-half percent (22%) a year, or higher, as established by law, rule or regulation for other loans made or guaranteed by the Commission, on the unpaid principal. Notwithstanding any other provision of law, rule, regulation or this Chapter 75, this Subsection (a) shall not diminish nor relieve the Commission of its obligation to assure or effect the periodic or full repayment of loans issued to a lessee by local or Federal governmental agencies or instrumentalities or private lending institutions, where such loans have been guaranteed by the Commission.

(b) In the case of the death of a lessee the Commission shall, in any case, permit the successor or successors to the tract to assume the contract of loan. In case of the cancellation of a lease by the Commission or the surrender of a lease by the lessee, the Commission may, at its option declare all installments upon the loan immediately due and payable, or permit the successor or successors to the tract to assume the contract of loan. The Commission may, in such cases where the successor or successors to the tract assume the contract of loan, waive the payment, wholly or in part, of interest already due and delinquent upon said loan, or postpone the payment of any installment thereon, wholly or in part, until such later date as it deems advisable. Such postponed payment shall, however, continue to bear interest at the rate of two and one-half percent (22%) a year on the unpaid principle. Further, the Commission may, if it seems advisable and for the best interest of the lessees, write-off and cancel, wholly or in part, the contract of the deceased lessee, or previous lessee, as the case may be, where such loans are delinquent and deemed uncollectible. Such write-off and cancellation shall be made only after an appraisal of all improvements and growing crops on the tract involved, such appraisal to be made in the manner and as provided for by § 75109(a). In every case, the amount of such appraisal, or any part thereof, shall be considered as part or all, as the case may be, of any loan to such successor or successors.

(c) No part of the moneys loaned shall be devoted to any purpose other than those for which the loan is made.

(d) The borrower or the successor to his interest, shall comply with such other conditions, not in conflict with any provision of this Chapter, as the Commission may stipulate in the contract of loan.

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(e) The borrower or the successor to his interest shall comply with the conditions enumerated in § 75108 and with the provisions of § 75109 of this Chapter in respect to the lease of any tract.

(f) Whenever the Commission shall determine that a borrower is delinquent in the payment of any indebtedness to the Commission, it may require such borrower to execute an assignment to it, not to exceed, however, the amount of the total indebtedness of such borrower, including the indebtedness to others the payment of which has been assured by the Commission of all moneys due or to become due to such borrower by reasons of any agreement or contract, collective or otherwise, to which the borrower is a party. Failure to execute such an assignment when requested by the Commission shall be sufficient ground for cancellation of the borrower's lease or interest therein.

SOURCE: GC §13512 repealed and reenacted by P.L. 12-226. Subsection (a) amended by P.L. 24-168:12.

§ 75114. Insurance by Borrowers: Acceleration of Loans; Lien and Enforcement Thereof.

The Commission may require the borrower to insure, in such amount as the Commission may prescribe, any livestock, machinery, equipment dwellings and permanent improvements purchased or constructed out of any moneys loaned by the Commission; or, in lieu thereof, the Commission may directly take out such insurance and add the cost thereof to the amount of principal payable under the loan. Whenever the Commission has reason to believe that the borrower has violated any condition enumerated in Paragraphs (b), (d), (e), or (f) of § 75113 of this Chapter, the Commission shall give due notice and afford opportunity for a hearing to the borrower or the successor or successors to his interest, as the case demands. If upon such hearing the Commission finds that the borrower has violated the condition, the Commission may declare all principal and interest of the loan immediately due and payable notwithstanding any provisions in the contract of loan to the contrary. The Commission shall have a first lien upon the borrower's or lessee's interest in any lease, growing crops, either on his tract or in any collective contract or program, livestock, machinery and equipment purchased with moneys loaned by the Commission, and in any dwellings, or other permanent improvements paid by the Commission, and of all indebtedness of the borrower, the payment of which has been assured by the Commission, including loans from governmental agencies where

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such loans have been approved by the Commission. Such lien shall have priority over any other obligation for which the property subject to the lien may be security. The Commission may, at such times as it deems advisable, enforce any such lien by declaring the borrower's interest in the property subject to the lien to be forfeited, any lease held by the borrower canceled, and shall thereupon order such lease-hold premises vacated and the property subject to the lien surrendered within a reasonable time. The right to the use and occupancy of the Chamorro homelands contained in such lease shall thereupon revert in the Commission which may take possession of the premises covered therein and the improvements and growing crops thereon: provided that the Commission shall pay to the borrower any difference which may be due him after the appraisal provided for in Paragraph (a) of § 75109 of this Title has been made.

SOURCE: GC §13513 repealed and reenacted by P.L. 12-226.

§ 75115. Ejectment, When: Loan To New Lessee For Improvements.

In case the lessee or borrower or the successor to his interest in the tract, as the case may be, fails to comply with any order issued by the Commission under the provisions of § 75110 or § 75114 of this Chapter, the Commission may bring action of ejectment or other appropriate proceedings for the enforcement of said order. Any tract forfeited under the provisions of § 75110 or § 75114 of this Chapter may be again leased by the Commission as authorized by the provisions of the § 75107 of this Chapter, except that the value, in the opinion of the Commission, of all improvement made in respect to such tract by the original lessee or any successor to his interest therein shall constitute a loan by the Commission to the new lessee. Such loan shall be subject to the provisions of this section '§ 75113 and 75114 to the same extent as loans made by the Commission from the Chamorro Home Loan Fund.

SOURCE: GC §13514 repealed and reenacted by P.L. 12-226.

§ 75116. Agency Review of Statutory Authority.

All agencies, departments, boards, commissions, and other instrumentalities of the territorial government shall review their present statutory authority, administrative regulations and current planning policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full cooperation with the purposes and provisions of this Chapter and shall propose to the Commission not later than ninety (90) days after the enactment of this

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Chapter measures as may be necessary to bring their planning authority and policies into conformity with the intent, purposes, and procedures set forth in this chapter.

SOURCE: GC §13515 repealed and reenacted by P.L. 12-226.

§ 75117. Severability.

If any provision of this Chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are severable.

SOURCE: GC §13516 repealed and reenacted by P.L. 12-226.

§ 75118. Commission Start-Up Fund.

Five Hundred Thousand Dollars (\$500,000) are appropriated from the General Fund to the Chamorro Land Trust Commission to initiate the business of the Commission in a manner consistent with the purpose and intent of this Chapter.

(1) The Commission shall establish a place of business and shall appoint and employ an Administrative Director who shall serve in a full-time capacity, and shall provide such Administrative Director with the necessary personnel and resources to carry on the work of the Commission as provided for in § 75102(b) of this Chapter.

i. The salary of the Administrative Director shall be determined by the Commission as provided for in said § 75102(b) and shall not exceed the sum of Fifty-Five Thousand Dollars (\$55,000) per annum.

(2) Funds available under this section shall not be utilized to directly fund the programs set out in paragraphs (b), (c), (d), (e), (f), (g) and (h) of § 75112 of this Chapter.

SOURCE: Added by P.L. 22-09:2 (5/7/93).

§ 75119. Identification Of Land To Be Exchanged To Compensate Private Landowners.

The Commission, with the assistance of the Director of Land Management, the Director of Public Works, the Director of Agriculture, and the Director of Parks and Recreation, shall identify land under its jurisdiction which may be utilized by the Governor in exchanging property

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with private landowners whose lands have been expropriated by the government of Guam for public purposes prior to December 31, 1993, and for which no compensation has been paid to such private landowners.

SOURCE: Added by P.L. 22-73:7.

§ 75120. Title to Municipal Golf Course; Operation.

(a) Transfer of title of golf course to Commission. Title to and jurisdiction over that parcel of government-owned real property in the municipality of Dededo encompassing the Guam Municipal Golf Course, described as Lot No. 10122-12, containing an area of 829,124± square meters, less 28,328± square meters set aside as easements for the use of the Guam Power Authority and the Public Utility Agency of Guam, are hereby transferred to the Chamorro Land Trust Commission which shall act as administrator of the lease to Guam Municipal Golf Course, Inc., and shall receive all payments thereunder. All other terms of the lease agreement executed on January 17, 1989 (the "Lease") between the government of Guam and the Guam Municipal Golf Course, Inc. (the "Golf Course") shall remain in effect, except that references to the Department of Land Management shall be deemed to refer to the Chamorro Land Trust Commission (the "Commission").

(b) Rules. The Commission shall establish rules and regulations for the use of the lease payments described in subparagraph (a) of this section in accordance with the procedures set out in the Administrative Adjudication Law. The Commission shall annually publish a properly audited financial statement in a newspaper of general circulation. Nothing in this section shall be deemed a ratification of the Lease or of any actions of the Golf Course.

SOURCE: Added by P.L. 22-76:1.

