FILE COPY

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

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

This is to certify that **Bill No. 204-32 (COR), " AN ACT TO *AMEND* §§ 7105, 7106, 7107 AND 7108 OF CHAPTER 7, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE AUTHORIZATION OF COMMERCIAL ADVERTISING LEASES; AND TO *ADD* A NEW CHAPTER 50A TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE DEPARTMENT OF PUBLIC WORKS TO ESTABLISH A COMMERCIAL ADVERTISING SPACE PROGRAM ON SCHOOL BUSES, AND TO ESTABLISH THE DPW BUS MAINTENANCE FUND,"** was on the 1st day of February, 2014, duly and regularly passed.

Judith T. Won Pat, Ed.D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 1st day of Feb, 2014, at 10:50 o'clock A.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 204-32 (COR)
As amended by the Committee on Education, Public Library and Women's Affairs; and further amended on the Floor.

Introduced by: Michael T. Limtiaco
Aline A. Yamashita, Ph.D.
Tommy Morrison
Chris M. Dueñas
V. Anthony Ada
Judith T. Won Pat, Ed.D.
Brant T. McCreadie
Michael F. Q. San Nicolas
T. C. Ada
FRANK B. AGUON, JR.
B. J.F. Cruz
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
R. J. Respicio
Dennis G. Rodriguez, Jr.

AN ACT TO *AMEND* §§ 7105, 7106, 7107 AND 7108 OF CHAPTER 7, TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE AUTHORIZATION OF COMMERCIAL ADVERTISING LEASES; AND TO *ADD* A NEW CHAPTER 50A TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE DEPARTMENT OF PUBLIC WORKS TO ESTABLISH A COMMERCIAL ADVERTISING SPACE PROGRAM ON SCHOOL BUSES, AND TO ESTABLISH THE DPW BUS MAINTENANCE FUND.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 7105 of Chapter 7, Title 17, Guam Code Annotated, is *amended* to read:

"**§ 7105. Authorization of Commercial Advertising Leases.** Within ninety (90) days of the enactment of this Chapter, the Department *shall* review and revise all existing Department rules and regulations for the management and control of school property in order to authorize the commercial leasing of advertising space at the Department of Education sports facilities, consistent with government of Guam standard property regulations. Within ninety (90) days of the enactment of this Chapter, the Department of Education *shall* develop standard size and placement regulations for the leasing of commercial advertising space at the Department of Education sports facilities. Immediately upon completion, the proposed revisions *shall* be transmitted to the Board for approval. Within thirty (30) days of receipt, the Board *shall* adopt the revised rules and regulations with any amendments deemed necessary and appropriate."

Section 2. § 7106 of Chapter 7, Title 17, Guam Code Annotated, is *amended* to read:

"**§ 7106. Schedule of Commercial Advertising Fees.** Within ninety (90) days of the enactment of this Chapter, the Department of Education *shall* develop a schedule of fees for the commercial leasing of advertising space at Department of Education sports facilities. Immediately upon completion, the proposed schedule of fees *shall* be transmitted to the Board for approval. Within thirty (30) days of receipt, the Board *shall* approve the schedule of fees with any amendments deemed necessary and appropriate."

Section 3. § 7107 of Chapter 7, Title 17, Guam Code Annotated, is *amended* to read:

"**§ 7107. Standard Lease Agreement for Commercial Advertising.** Within ninety (90) days of the enactment of this Act, the Department of Education *shall* develop a standard lease agreement for commercial advertising at Department of Education sports facilities. Such standard lease agreement *shall* specify the Department's rules and regulations, schedule of fees and legal liabilities for private entities seeking to advertise at Department of Education sports facilities. Such standard lease agreement *shall* specifically prohibit any advertising which promotes substances which are controlled by law, or are illegal to distribute to minors, including, without limitation, alcohol; establishments selling primarily alcohol products, such as bars; tobacco products; firearms; obscenity; and as may be otherwise determined by the Board. Immediately upon completion, the proposed standard lease agreement *shall* be transmitted to the Board for approval. Within thirty (30) days of receipt, the Board *shall* adopt the standard lease agreement with any amendments deemed necessary and appropriate."

Section 4. § 7108 of Chapter 7, Title 17, Guam Code Annotated, is *amended* to read:

"**§ 7108. Interscholastic Sports Fund.** There is hereby created, separate and apart from all other funds of the government of Guam, a fund known as the Interscholastic Sports Fund (Fund) into which *shall* be deposited all fees collected from the commercial leasing of advertising space at Department of Education sports facilities, and other monies deemed appropriated by the Department of Education.

(a) **Same: Administration.** The Fund *shall* be administered by the Department of Education and *shall not* be commingled with the

General Fund or any other fund of the government of Guam. The Fund *shall* be maintained in a separate bank account and monies deposited therein *shall not* be subject to *I Maga'lahen Guåhan's* transfer authority. The Department of Education is authorized to accept for the Fund gifts, bequests, donations and other kinds of contributions for the purposes of the Fund.

(b) **Same: Expenditures.** Expenditures from the Fund *shall* be made exclusively for the purpose of supplementing the costs associated with operating the Department of Education interscholastic sports programs. The Department of Education may transfer from the Interscholastic Sports Fund to the Department of Public Works such funds as are necessary to fund in whole or in part interscholastic bus transportation.

(c) **Same: Distribution of the Interscholastic Sports Fund.** Elementary schools of GDOE may participate in the solicitation of commercial advertising in their respective schools, as provided through the Interscholastic Sports Fund Act. However, because the interscholastic sports program exists in the middle and high school levels only, the elementary school that solicits and receives monies for commercial advertising *shall* deposit all funds into the Interscholastic Sports Fund. The Department of Education *shall* transfer forty percent (40%) of the total sum of any fees, monetary gifts, donations or contributions collected or derived from the commercial leasing of any part of the facilities for advertising, or other such purposes of an elementary school, into *I Salappe Facilidat* account of that respective elementary school. The remaining sixty percent (60%) will remain in

the Interscholastic Sports Fund to support interscholastic sports programs. Funds transferred to *I Salappe Facilidat* accounts of a respective elementary school pursuant to this Subsection *shall* be expended in accordance with the provisions of Title 17 GCA, §1704, as enacted through Public Law Number 23-67. The distribution of advertising funds for both middle schools and high schools will be as follows: sixty percent (60%) will remain in the Interscholastic Sports Fund and forty percent (40%) will be retained at the school for its respective sports programs.

(d) **Same: Annual Financial Report.** Within sixty (60) days after the closing of each fiscal year, the administrator or authorized custodian of the Interscholastic Sports Fund *shall* transmit to the Board and the Superintendent of the Department of Education an annual report of the expenditures of the Fund, including, but *not* limited to, a balance sheet, a statement of receipts and expenses, and a general description of the income sources of the Fund and the expenses thereof."

Section 5. A new Chapter 50A is *added* to Title 5, Guam Code Annotated, relative to authorizing the Department of Public Works to establish a commercial advertising space program on school buses, to read as follows:

"**CHAPTER 50A**

COMMERCIAL ADVERTISING SPACE PROGRAM

§ 50A101. Authorization.

§ 50A102. Program Rules and Regulations.

§ 50A103. Lease Agreement.

§ 50A104. Program Management.

§ 50A105. DPW Maintenance Fund.

§ 50A101. Authorization. The Department of Public Works (Department) is authorized to establish a commercial advertising space program (Program) utilizing space on the interior and exterior of the Department's school buses.

§ 50A102. Program Rules and Regulations. Within ninety (90) days of the enactment of this Act, the Department in consultation with GDOE *shall* develop rules and regulations pursuant to the AAL governing the standard size and placement for the leasing of commercial advertising space, a schedule of fees for the commercial leasing of advertising space, and any other rules and regulations necessary for the effective and efficient operation of the Program. Additionally, the rules and regulations developed, pursuant to this Chapter, *shall* address the following:

(a) assurance that any Program lease agreement entered into by the Department *does not* negatively affect any warranties associated with government of Guam school buses;

(b) a prohibition on political advertisements as part of the Program;

(c) assurance that any advertisements which may become faded, dilapidated, or pose a danger to the public will be replaced or repaired by the lessee with no cost to the Department. The Department *shall* be responsible for developing criteria to determine whether an advertisement is faded, dilapidated, or poses a threat to the public; and

(d) assurance that the Department will not be held responsible, financial or otherwise, for any damage or destruction that occurs to any advertisements or advertising space that has been leased as part of the Program.

The Department *shall* allow *no less than* twenty percent (20%) of the interior and the outside rear panel of each bus to be used at no fee to government of Guam agencies or non-profit groups charged with anti-drug, anti-alcohol, anti-bullying, anti-domestic violence, or other public service announcements which are applicable and appropriate for educational purposes.

§ 50A103. Lease Agreement. The Department *shall* develop a standard lease agreement. The lease agreement *shall* incorporate applicable rules and regulations, the schedule of fees, and make clear any legal liabilities for private entities seeking to advertise on its buses. The standard lease agreement *shall* specifically prohibit any advertising which promotes substances which are controlled by law, or are illegal to distribute to minors, including, without limitation, alcohol; establishments selling primarily alcohol products, such as bars; tobacco products; firearms; obscenity; and as may be otherwise determined by the Department of Public Works; and *shall* specifically prohibit advertising that is prohibited by GDOE Board Policy for the lease of advertising space at schools or other educational facilities, or prohibited by GDOE Board Policy, from being promoted during school hours or during extracurricular activities, including, but *not* limited to, foods of minimal nutritional value.

§ 50A104. Program Management. The Department *shall* issue a request for proposals for the management of the Program. The Fund established in §50A105 of this Chapter *shall* be the source for any program management fees.

§ 50A105. DPW Maintenance Fund. There is hereby created, separate and apart from all other funds of the government of Guam, a fund known as the DPW Bus Maintenance Fund (Fund) into which *shall* be deposited all fees collected from the commercial leasing of advertising space on school buses.

Expenditures from the Fund *shall* be by written authorization of the Director of Public Works.

(a) **Same: Administration.** The Fund *shall* be administered by the Department of Public Works and *shall not* be commingled with the General Fund or any other fund of the government of Guam. The Fund *shall* be maintained in a separate bank account and monies deposited therein *shall not* be subject to *I Maga'lahen Guåhan's* transfer authority. The Department of Public Works is authorized to accept for the Fund gifts, bequests, donations and other kinds of contributions for the purposes of the Fund.

(b) **Same: Expenditures.** Expenditures from the Fund *shall* be made exclusively for the purpose of supplementing the costs associated with maintaining the Department of Public Works' school buses and for program management fees.

(c) **Same: Annual Financial Report.** Within sixty (60) days after the closing of each fiscal year, the administrator or authorized custodian of the DPW Bus Maintenance Fund *shall* transmit to the Director of the Department of Public Works an annual report of the expenditures of the Fund, including, but *not* limited to, a balance sheet, a statement of receipts and expenses, and a general description of the income sources of the Fund and the expenses thereof. Copies of the report *shall* be transmitted to *I Maga'lahen Guåhan* and to the Speaker of *I Liheslaturan Guåhan.*"

Section 6. Effective Date. The provisions of this Act *shall* be effective upon enactment.

Section 7. Severability. If any provision of this Act, or the application thereof to any person or circumstances is held invalid, the invalidity *does not* affect other provisions or applications of the Act that can be given effect without the

invalid provisions or application, and to this end the provisions of this Act are severable.