EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor Of Guam

February 28 2018

GL#34-18-1591
Speaker Benjamin J.F. Cruz
FEB 2 8 2018
Time: 0936 [ ] AM [ ] PM File No.
Received By:

2018 MAR -0 PM 9:49

The Honorable Benjamin J.F. Cruz
Speaker
I Mina'trentai Kuåttro Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Dear Mr. Speaker:

Pursuant to my authority under Section 1423h of the Organic Act of Guam, I am calling *I Liheslaturan Guåhan* into special session on **Thursday, March 1, 2018, at 12:00 a.m.** for the sole purpose of considering the attached modified version of Bill 248-34, *"An Act to Add a New Article 7 to Chapter 26 of Title 11, Guam Code Annotated, Relative to Imposing a General Sales Tax in Guam . . . ." TOGETHER AND INCLUDING* the amendments that were made to the engrossed version of Bill 245-34 which failed to pass at the session held on the afternoon of February 28, 2018.

Although *I Liheslaturan's* Standing Rule Section 1.02(c)(xx)(3) says that the hours of session shall begin after 7:00 a.m. and be recessed or adjourned no later than 10:00 p.m., Organic Act § 1423h says that, ***"The Governor may call special sessions of the legislature AT ANY TIME when, in his opinion, the public interest may require it. . . "*** As the Supreme Court held in the case of *In re. Request of Calvo,* 2017 Guam 14, a standing rule that that conflicts with the Organic Act is invalid and void. As used in Organic Act § 1423h , the words "at any time" as used in the Organic Act mean "at any time," and therefore notwithstanding the Standing Rules, the Governor can call the Legislature into session "at any time" before 7:00 a.m. or "at any time" after 10:00 p.m

In my opinion, the public interest not just requires, but *demands,* that the government work through the night and exhaust without fail the consideration of every

proposal and idea that can be conceived of in order to avoid a 32-hour work week, the collapse of our schools, the closure of our fire stations, and the shutdown of our government. This is an emergency, and we are in an emergency situation. Nothing less than your full attention to averting this crisis is warranted.

Senseramente,

EDDIE BAZA CALVO

I MINA'TRENTAI KUATTRO NA LIHESLATURAN GUÅHAN
2018 (SECOND) Regular Session

Bill No. _____-34

Introduced by:

_____
By request of *I Maga'Låhen Guåhan*, the Governor of Guam, in accordance with the Organic Act of Guam.

AN ACT TO ADD A NEW ARTICLE 7 TO CHAPTER 26 OF TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO IMPOSING A GENERAL SALES TAX IN GUAM, AND TO DEDICATING THE REVENUE TO BE COLLECTED FROM THE EXPANDED REVENUE STREAM TO (1) THE GUAM MEMORIAL HOSPITAL FOR ITS OPERATIONS AND MODERNIZATION, (2) THE DEPARTMENT OF EDUCATION TO FUND ITS CAPITAL NEEDS, AND (3) THE GENERAL FUND OF THE GOVERNMENT OF GUAM TO ADDRESS THE TAX BASE EROSION RESULTING FROM THE PASSAGE OF THE TAX CUTS AND JOBS ACT OF 2017.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. To add a *new* Article 7 to Chapter 26 of Title 11, Guam Code Annotated, to read:

§ 26701. Levy. There is hereby levied and *shall* be assessed and collected a general sales tax on tangible personal property and any service business. Including but not limited to professional services,

contractor services, banking and lending services, foreign currency services, insurance services. and tourism-related services, at the rate of two percent (2%).

§ 26702. Definitions.

(a) *Department* means the Department of Revenue and Taxation.

(b) *Tangible personal property* means any corporeal personal property of any nature.

§ 26703. Administration. The Department of Revenue and Taxation *shall* be responsible for the administration of this Article.

§ 26704. Rules and Regulations. The Department of Revenue and Taxation *shall* promulgate rules and regulations to implement this Article within thirty (30) days of enactment of this Act."

Section 2. The increased revenues derived from the general sales tax described in this Act *shall* be allocated accordingly:

(a) 0.75% to Guam Memorial Hospital Authority for its purposes, including but not limited to, capital investment, operational requirements or reserves;

(b) 0.25% to the Department of Education for its capital improvement needs; and

(c) 1.00% to the General Fund of the Government of Guam to address the erosion of the tax base resulting from the passage of the Tax Cuts and Jobs Act of 2017.

Section 3. All of the amendments made to the engrossed version of Bill 245-34 which failed to pass at the session held on February 28, 2018, shall be incorporated in full into this Act.

Section 4. Approval of Voters Not Required. Notwithstanding 3 G.C.A. §§ 16311 and 16312, the imposition of the general sales tax authorized by this Act *shall not* be subject to the approval of, or placed before, the voters of Guam.

Section 5. Effective Date. This Act *shall* become effective upon enactment.

Section 6. Severability. *If* any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.