clerks@guamlegislature.org

From: Speaker's Office <speaker@guamlegislature.org>
Sent: Tuesday, December 22, 2020 10:04 AM
To: Clerks Office
Cc: Rennae Meno
Subject: M&C Fwd: OVERRIDE of Bill No. 133-35 (COR) nka Public Law No. 35-123
Attachments: 20.1221 SSD to Speaker re OVERRIDE of Bill No. 133-35 (COR) nka Public Law No. 35-123 - Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC).pdf

12/22/20	9:44 AM	12/21/20	Override of Bill No. 133-35 (COR), now known as Public Law No. 35-123.*	Office of the Governor of Guam	35GL-20-2532

Sinseru yan Minagåhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
T: (671) 477-2520/1
speaker@guamlegislature.org

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Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensåhi. Si Yu'os ma'åse'.

---------- Forwarded message ---------
From: <june.borja@guam.gov>
Date: Tue, Dec 22, 2020 at 9:44 AM
Subject: OVERRIDE of Bill No. 133-35 (COR) nka Public Law No. 35-123
To: <speaker@guamlegislature.org>
Cc: Governor Lourdes A. Leon Guerrero <governor@guam.gov>, Lt. Governor Joshua F. Tenorio

<joshua.tenorio@guam.gov>, <gcepeda@guamcourts.org>, <guamcompiler@gmail.com>, Lisa Ibanez (Compiler Asst.) <libanez@guamsupremecourt.com>, Jon Calvo (DCOS) <jon.calvo@guam.gov>, <alice.taijeron@guam.gov>, SSD (Legal) <sophia.diaz@guam.gov>, Leslie Travis <leslie.travis@guam.gov>, <carlo.branch@guam.gov>, Krystal J. Paco <krystal.paco@guam.gov>, <lester.carlson@bbmr.guam.gov>, BERTHA <bertha.duenas@guam.gov>, Eliza G. Dames (Chamber) <eliza.dames@guam.gov>, Shamra L.A. Chargualaf (Chamber) <shamra.chargualaf@guam.gov>, Josephine C. Cepeda (Chamber) <josephine.cepeda@guam.gov>, Kathleen C. Cepeda (DCOS) <kathleen.cepeda@guam.gov>, Jessica Cruz (CF) <jessica.cruz@guam.gov>, <admin@bbmr.guam.gov>, <analyn.eustaquio@bbmr.guam.gov>, Michael D. Weakley <michael.weakley@guam.gov>, Caleb Skvaril <caleb.skvaril@guam.gov>

Hafa Adai Madame Speaker:

Please find attached copy of the following transmittal dated December 21, 2020 from the Governor's Legal Counsel Sophia Santos Diaz regarding override of Bill No. 133-35 (COR). The original transmittal will be delivered to your office today.

- **Bill No. 133-35 (COR) *nka Public Law No. 35-123*** – An Act to Amend § 15108 of Chapter 15, Title 18, Guam Code Annotated, Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC)

Thank you.

Respectfully,

June M.C. Borja
Administrative Services Officer

OFFICE OF THE GOVERNOR OF GUAM
Office of Legal Counsel
Ricardo J. Bordallo Governor's Complex
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P.O. Box 2950, Hagåtña, Guam 96932
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OFFICE OF LEGAL COUNSEL

Ufisinan I Maga'hågan Guåhan
Office of the Governor of Guam

LOURDES A. LEON GUERRERO
Governor of Guam

JOSHUA F. TENORIO
Lieutenant Governor of Guam

Via Hand Delivery

December 21, 2020

HONORABLE TINA ROSE MUÑA BARNES
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: OVERRIDE of Bill No. 133-35 (COR) *nka* Public Law No. 35-123 – *An Act to Amend § 15108 of Chapter 15, Title 18, Guam Code Annotated, Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC)*

Dear Madame Speaker:

Enclosed is Bill No. 133-35 (COR) – An Act to *Amend* § 15108 of Chapter 15, Title 18, Guam Code Annotated, Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC) which is *now known as Public Law No. 35-123.*

Senseramente,

SOPHIA SANTOS DIAZ
Legal Counsel

Enclosure(s): Override of Bill No. 133-35 (COR) nka P.L. No. 35-123

cc via email: *Maga'hågan Guåhan*
Sigundo Maga'låhen Guåhan
Compiler of Laws

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

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

This is to certify that **BILL NO. 133-35 (COR), "AN ACT TO *AMEND* § 15108 OF CHAPTER 15, TITLE 18, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE COST FOR FILING THE ARTICLES OF ORGANIZATION FOR A LIMITED LIABILITY COMPANY (LLC),"** was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 17th day of December 2020, to pass said bill notwithstanding the veto of *I Maga'hågan Guåhan* by a vote of thirteen (13) members.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 17th day of Dec, 2020, at 10:26 o'clock P.m.

P03 MA Staff - Liaison 787
Assistant Staff Officer
Maga'hågan's Office

Public Law No. 35-123

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 133-35 (COR)
As amended by the Committee on Environment,
Revenue and Taxation, and Procurement.

Introduced by: James C. Moylan
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
Louise B. Muña
Tina Rose Muña Barnes
Telena Cruz Nelson
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *AMEND* § 15108 OF CHAPTER 15, TITLE 18, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE COST FOR FILING THE ARTICLES OF ORGANIZATION FOR A LIMITED LIABILITY COMPANY (LLC).

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that more entrepreneurs, both locally and on a national level, are seeking a limited liability company (LLC) as the type of business structure and function they desire, due to the shareholders' protection from liability beyond their contribution to the LLC's share capital. On a national level, the one (1)-time state filing fee for a LLC

ranges from Forty Dollars ($40.00) in Kentucky to Five Hundred Dollars ($500.00) in Massachusetts, with the average fee estimated at around One Hundred Twenty-seven Dollars ($127.00); whereas, on Guam, the filing fee for Articles of Organization for a LLC is One Thousand Dollars ($1,000).

While the annual fees to maintain the LLC remain consistent with the national level of One Hundred Dollars ($100.00), the deterrence in establishing Guam as a business-friendly environment with an unusual and costly filing fee for a preferred business structure needs to be reconsidered. With recent legislation introduced on Guam, such as Bill No. 104-35, to attract U.S. corporations with foreign subsidiaries to repatriate their overseas earnings to Guam, along with the objective of increasing third party agents, the desire for both island residents and off island entities to seek Guam as their domicile for business activity may increase. Also, with concepts on the table to attract other industries such as process trade, distribution centers, and enhancing export trade, the need to have a business-friendly licensing policy is great.

It is important for Guam to compete for investment dollars and reducing the cost of the filing for a LLC to a competitive level will encourage investment. The proposed amount of a Two Hundred Fifty Dollar ($250.00) filing fee may still be slightly higher than many states, but it provides a reasonable balance. In terms of revenue for the Department of Revenue and Taxation, while the reduced fee would lessen some of its fee earnings, it would eventually create replenishment via increased filings for LLC certificates, which would also result in new tax collections. As with any business structure, it takes the spending of some money to make more money.

Section 2. § 15108 of Chapter 15, Title 18, Guam Code Annotated, is hereby *amended* to read as follows:

"§ 15108. Filing of Articles of Organization.

The Articles of Organization shall be delivered to the Department of Revenue and Taxation. If the Director of Revenue and Taxation finds that the articles of organization conform to law, he or she shall, when a fee of Two Hundred Fifty Dollars ($250.00) has been paid, file the articles of organization in accordance with this Chapter. The Director of Revenue and Taxation shall then issue a Certificate of Organization."

Section 3. 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.

Section 4. Effective Date. This Act shall be effective upon enactment.