I Mina'trentai Sais Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
327-36 (COR)	Joe S. San Agustin	AN ACT TO *ADD* A NEW ARTICLE 13, CHAPTER 77, DIVISION 2, TITLE 12, GUAM CODE ANNOTATED RELATIVE TO ALLOWING BUSINESSES CONTRIBUTING TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION TENNIS FACILITIES TO BE ELIGIBLE FOR TAX CREDITS.	7/18/22 2:01 p.m.	7/25/22	Committee on General Government Operations, Appropriations, and Housing	10/7/22 9:00 a.m.	10/24/22 9:49 a.m. As Amended by The Committee on General Government Operations, Appropriations, and Housing.	Request: 7/26/22 8/2/22	

SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES
12/2/22	AN ACT TO *ADD* A NEW ARTICLE 13 TO CHAPTER 77 OF DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ALLOWING BUSINESSES CONTRIBUTING TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION FACILITIES TO BE ELIGIBLE FOR TAX CREDITS.	12/16/22	12/16/22	12/28/22	36-128	12/28/22	Received: 12/29/22 Mess and Comm. Doc. No. 36GL-22-2932

LOURDES A. LEON GUERRERO
GOVERNOR

JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via email to: speaker@guamlegislature.org

December 28, 2022

Doc Type: 36GL-22-2932
OFFICE OF THE SPEAKER
THERESE M. TERLAJE
-12- 28 2022
Time: 6:04pm
Received:

HONORABLE THERESE M. TERLAJE
Speaker
I Mina'trentai Sais Na Liheslaturan Guåhan
36th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Re: **BILL NO. 327-36 (COR) - AN ACT TO *ADD* A NEW ARTICLE 13 TO CHAPTER 77 OF DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ALLOWING BUSINESSES CONTRIBUTING TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION FACILITIES TO BE ELIGIBLE FOR TAX CREDITS**

BILL NO. 332-36 (LS) - AN ACT TO *ADD* A NEW ARTICLE 13 TO CHAPTER 77 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING TAX CREDITS FOR THE REHABILITATION AND IMPROVEMENTS OF THE FOOTBALL FIELDS OPERATED BY THE GUAM NATIONAL YOUTH FOOTBALL FEDERATION

Hafa Adai Madame Speaker,

Programs like the National Youth Football Federation and the National Tennis Federation contribute to the quality of life of the youth of Guam. These organizations provide access to healthy activities, which help our youth lead healthier happier lives. Participation in sports as a young person increases the likelihood of leading an active and healthy life as an adult. Leading an active and healthy lifestyle decreases the likelihood of a multitude of diseases associated with a sedentary lifestyle.

Bill Nos. 327-36 and 332-36 seek to provide tax incentives to encourage businesses to contribute to the construction, development, or facilities upgrade of the Guam National Tennis Federation and to rehabilitate and improve the fields operated by the Guam National Youth Football Federation. Providing businesses financial incentives to aid in the development, building, and upkeep of sports facilities will allow the respective sports federations to increase the number of people whom they serve and improve the overall quality of the health of Guam. For these reasons

I am signing Bill Nos. 327-36 and 332-36 into law as ***Public Law 36-128*** and ***Public Law 36-129***, respectively.

Senseremente,

LOURDES A. LEON GUERRERO
Maga'hågan Guåhan
Governor of Guam

Enclosure: Bill No. 327-36 (COR) and Bill No. 332-36 (LS) *nka P.L. No. 36-128 and P.L. 36-129*

cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

RECEIVED
DEC 29 2022
2:53 P.M.
COMMITTEE ON RULES

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

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

This is to certify that **Bill No. 327-36 (COR), "AN ACT TO *ADD* A NEW ARTICLE 13 TO CHAPTER 77 OF DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ALLOWING BUSINESSES CONTRIBUTING TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION FACILITIES TO BE ELIGIBLE FOR TAX CREDITS,"** was on the 16th day of December 2022, duly and regularly passed.

Therese M. Terlaje

Therese M. Terlaje
Speaker

Attested:

Amanda L. Shelton

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 16TH day of Dec, 2022, at 10:06 o'clock P.M.

C. Cruz
P63 CE Chong 562

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lou Leon Guerrero

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: ~~12/27/2022~~ 12/28/2022

Public Law No. 36-128

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

Bill No. 327-36 (COR)
As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended in the Committee of the Whole.

Introduced by: Joe S. San Agustin
V. Anthony Ada
Frank Blas Jr.
Joanne Brown
Christopher M. Dueñas
James C. Moylan
Tina Rose Muña Barnes
Telena Cruz Nelson
Clynton E. Ridgell
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *ADD* A NEW ARTICLE 13 TO CHAPTER 77 OF DIVISION 2, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ALLOWING BUSINESSES CONTRIBUTING TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION FACILITIES TO BE ELIGIBLE FOR TAX CREDITS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. A new Article 13 is hereby *added* to Chapter 77 of Division 2, Title 12, Guam Code Annotated, to read as follows:

"ARTICLE 13

TAX CREDITS FOR CONTRIBUTORS TO THE DESIGN AND CONSTRUCTION OF THE GUAM NATIONAL TENNIS FEDERATION FACILITIES

§ 771300. Legislative Findings.
§ 771301. Definitions.
§ 771302. Credits Against Business Privilege Tax.
§ 771303. Cap on Business Privilege Tax Credits for the Construction, Development, Design, Repair, or Maintenance of the Guam National Tennis Federation Facilities.
§ 771304. Limits of Liability.
§ 771305. Fines and Penalties.
§ 771306. Public Access to Guam National Tennis Federation Center.
§ 771307. Annual Tennis Clinic for the Department of Youth Affairs.
§ 771308. Filing of Annual Reports.
§ 771309. GEDA Report.
§771310. Rules and Regulations.

§ 771300. Legislative Findings.

I Liheslaturan Guåhan finds that the Guam National Tennis Federation (GNTF) developed, constructed, and operates a tennis center known as the Guam National Tennis Center (GNTC) at the Department of Parks and Recreation's Guam Sports Complex in *Dededo* (*Dededo* Sports Complex) that accommodates local tennis groups and the public. In the last two (2) years, there has been an increase in usage of the GNTC. The GNTC consists of ten (10) tennis courts, of which six (6) are adult courts and four (4) are children's courts. The GNTF is presently building five (5) additional adult courts.

I Liheslatura finds that the local tennis federation is expanding to provide additional tennis courts for their members and the public. Currently, private businesses are donating

to the GNTF for the development, maintenance, and operation of the GNTC, including the construction of additional tennis courts.

Therefore, it is the intent of *I Liheslatura* to allow businesses contributing to the construction, development, upgrade, repair, or maintenance of the GNTC to be eligible for tax credits.

§ 771301. Definitions.

(a) Guam National Tennis Federation shall mean the Guam National Tennis Federation, also known as GNTF.

(b) Facilities shall mean the Guam National Tennis Federation Center, including all tennis courts, buildings, walkways, and parking areas located at the Department of Parks and Recreation's Guam Sports Complex in *Dededo*, Guam.

(c) Business shall mean any business that contributes to the construction, development, upgrade, repair, or maintenance of the Guam National Tennis Federation Center.

(d) GEDA shall mean the Guam Economic Development Authority.

§ 771302. Credits Against Business Privilege Tax.

(a) To the extent that any business contributes to the actual cost of construction, development, upgrade, repair, or maintenance, or the debt service currently owed for the cost of the same, of the Guam National Tennis Federation Center facilities, such business shall be entitled to credits of the unpledged business privilege taxes. The basis for the contributions to the project shall be the actual cost of the contribution plus the cost of transportation, if any, from the point of origin to its destination.

(b) Any unused credits not used in the current tax period may be carried over into subsequent tax periods until such credits are exhausted.

(c) The total credits allowed under this Article shall not exceed the actual dollar amount of the expenditures on the project by the taxpayer.

§ 771303. Cap on Business Privilege Tax Credits for the Construction Development, Design, Repair, or Maintenance of the Guam National Tennis Federation Facilities.

(a) The total amount of credits against unpledged business privilege taxes for the construction development, design, repair, or maintenance of the Guam National Tennis Federation facilities shall not exceed Six Hundred Thousand Dollars ($600,000) over a two (2) year period. No more than Three Hundred Thousand Dollars ($300,000) in tax credits shall be authorized for each year of the program.

(b) If, at the expiration of the three (3) year period authorized pursuant to this Article, there are still unclaimed authorized tax credits, then *I Liheslaturan Guåhan*, may, in its discretion, extend the eligible period until such time that all eligible tax credits are exhausted.

(c) *I Liheslaturan Guåhan* may, in its discretion, extend the terms and modify any part of the program based on the needs of the Guam National Tennis Federation.

§ 771304. Limits of Liability.

Unless a contractor, material supplier, designer, or landlord/lesser has direct involvement in the operations of the Guam National Tennis Federation facilities as a director, officer, manager, employee, representative or agent of the Guam National Tennis Federation, they shall not be held liable for any civil or criminal damages or penalties directly or indirectly arising from or related to the operations, any use, or processions of the facilities, unless it can be proven that the materials and design work provided were substandard. As the Guam National Tennis Federation Center is a private venture operated by the Guam National Tennis Federation, the government of Guam shall not be liable for any claims or damages arising from the operation of the Guam National Tennis Center. The Guam National Tennis Federation, its directors, agents, consultants, employees, or other affiliated person or persons shall make no representation that the government of Guam has any interest in the operation of Guam National Tennis Center.

§ 771305. Fines and Penalties.

To the extent that a company providing materials and services for the project contained herein takes more tax benefits in terms of business privilege taxes than the actual value of the materials or services contributed to the project authorized herein, that company shall be required to pay all interest and penalties applicable under Guam law and the Internal Revenue Code for failure to pay taxes, in addition to payment of the actual taxes due. To extent that any individual, officer, director, or other person having interest in a company providing materials or services for the project contained herein knowingly and willingly causes such company to take more tax benefits in terms of business privilege taxes than the actual value of the material or services contributed to the project, such individual shall be guilty of a felony in the third degree punishable by a fine of not less than Five Thousand Dollars ($5,000), or one (1) year in prison, or both.

§ 771306. Public Access to Guam National Tennis Federation Center.

(a) As a condition for the Guam National Tennis Federation and its contributors to be entitled to the tax benefits of the program established in this Article, the Guam National Tennis Federation shall allocate time during which the public may utilize the Guam National Tennis Center Facilities in accordance with the rules and policies adopted by the Guam National Tennis Federation for the GNTC.

(b) As a condition for the Guam National Tennis Federation and its contributors to be entitled to the tax benefits of the program established in this Article, the Guam Tennis Federation shall grant access to the Guam Department of Education (GDOE) on weekdays from 9:00 a.m. to 4:00 p.m. during the school year for the usage of the facilities for tennis or pickleball classes or for interscholastic league tennis practices negotiated by the parties, at no charge, subject to advanced scheduling. Nothing herein shall prevent GDOE from allowing charter schools usage of the facilities during the allotted time.

§ 771307. Annual Tennis Clinic for the Department of Youth Affairs.

The Guam National Tennis Federation and the Department of Youth Affairs shall work in partnership to host two (2) annual tennis clinics per year to the clients of the Department of Youth Affairs. Department of Youth Affairs shall lead the partnership to ensure that such annual tennis clinics are conducted.

§ 771308. Filing of Annual Reports.

(a) The Guam National Tennis Federation shall annually submit a copy of the financial statement required in § 14102 of Chapter 14, Title 18 GCA to the Speaker of *I Liheslaturan Guåhan,* the Public Auditor, and the Administrator of GEDA.

(b) The Guam National Tennis Federation must ensure that it is current with all its articles and by-laws, and should there be any amendments to such documents, it should immediately file such amendments to the Department of Revenue and Taxation.

§ 771309. GEDA Report.

GEDA shall submit a report to *I Liheslaturan Guåhan* detailing the impact of the program on the business privilege taxes, sports, and economic activities on Guam. GEDA shall also include in its report its monitoring efforts and any other information related to the program. The report shall be transmitted to *I Liheslaturan Guåhan* on an annual basis until the tax credit cap pursuant to § 771303 of this Article is exhausted.

§ 771310. Rules and Regulations.

The Guam Economic Development Authority shall implement and monitor the tax credit program authorized pursuant to this Article based on rules and regulations already adopted by GEDA for previous tax credit programs."

Section 2. 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 3. Effective Date. This Act shall be effective upon enactment.