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
332-36 (LS)	James C. Moylan Christopher M. Dueñas Frank Blas Jr. V. Anthony Ada	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.	8/16/22 12:52 p.m.	8/26/22 10/4/22	Committee on Economic Development, Agriculture, Power and Energy Utilities, and the Arts Re-Referred: Committee on General Government Operations, Appropriations, and Housing	10/13/22 9:00 a.m.	10/24/22 3:02 p.m. As Amended by The Committee on General Government Operations, Appropriations, and Housing.	Request: 8/29/22 9/8/22	

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 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.	12/16/22	12/16/22	12/28/22	36-129	12/28/22	Received: 12/29/22 Mess and Comm. Doc. No. 36GL-22-2933

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-22-2933
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

To: Speaker Terlaje
Fr: Governor of Guam
Date: December 28, 2022
Re: Bill No. 327-36 (COR) and Bill No. 332-36 (LS)

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

Senseremente,

Lou Leon Guerrero

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. 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,"** was on the 16th day of ~~December~~ 2022, duly and regularly passed.

Therese M. Terlaje

Therese M. Terlaje
Speaker

Attested:

Amanda 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. Ch

PO3 C Cchong 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. 36-129

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

Bill No. 332-36 (LS)
As amended by the Committee on General Government Operations, Appropriations, and Housing; and further amended in the Committee of the Whole.

Introduced by: James C. Moylan
Christopher M. Dueñas
Frank Blas Jr.
V. Anthony Ada
Joanne Brown
Tina Rose Muña Barnes
Telena Cruz Nelson
Sabina Flores Perez
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 *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.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that nearly one thousand (1,000) island youth actively participate in the Guam National Youth Football Federation, which is comprised of various age groups.

Youth football has been proven to promote healthier lifestyles, creates a competitive spirit among young minds, establishes lasting friendships, and helps build a child's character. It has also provided many children with an alternative option to keep them busy, so they are not swayed into troubling situations. Sports in general emphasizes so much in terms of an education, which is needed to foster more positivity in the fiber of our communities.

Unfortunately, the football fields that are currently being utilized require some serious improvements which can be a fiscal challenge for the government of Guam. Public-private partnerships where private funds are brought in at the onset and balanced with tax credits spread over several years have proven to be effective in ensuring that facilities enjoyed by the public are rehabilitated; and this Act proposes such a process which would ensure that the government's coffers are not impacted by more than One Million Dollars ($1,000,000) a year for up to five (5) years.

Currently, five (5) fields are being utilized by the Guam National Youth Football Federation, and this Act establishes equity in the maximum in contributions made per field, while recognizing that the need of each facility is unique. It provides the regulatory authority to the entity with the jurisdiction of the field, while ensuring that GEDA maintains the authority when it comes to approving the plans which resonate into the tax credits.

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

"ARTICLE 13

TAX CREDITS FOR THE REHABILITATION AND IMPROVEMENTS OF THE FOOTBALL FIELDS OPERATED BY THE GUAM NATIONAL YOUTH FOOTBALL FEDERATION

§ 771301. Applicability of Article.

§ 771302. Credits Against Unpledged Business Privilege Tax.

§ 771303. Cap on Business Privilege Tax Credits for the Rehabilitation and Improvements of Football Fields Operated by the Guam National Youth Football Federation.
§ 771304. Credits Against Excise Tax.
§ 771305. Cap on Excise Tax Credits for the Rehabilitation and Improvements of the Football Fields Operated by the Guam National Youth Football Federation.
§ 771306. Guam Economic Development Authority Report.
§ 771307. Rules and Regulations.
§ 771308. Approval of Contributions.
§ 771309. Fines and Penalties.
§ 771310. Submission of Plan.

§ 771301. Applicability of Article.

The provisions of this Article are applicable to the football fields operated by the Guam National Youth Football Federation (GNYFF), as authorized by this Article, and shall include those under the jurisdiction of the municipal planning council of the respective village the field may be in, the Department of Parks and Recreation (DPR), and nonprofit organizations, which shall include:

(a) the Tamuning Field;

(b) the Tiyan Field;

(c) the Hals Angels Field (formerly the Wettengel Field);

(d) the Talo'fo'fo Field; and

(e) fields that are utilized as practice field(s) by the GNYFF teams.

To qualify for the tax credits, the GNYFF shall not charge any individual an entrance fee to enter a GNYFF-operated field to watch a GNYFF game.

§ 771302. Credits Against Unpledged Business Privilege Tax.

(a) A business, to the extent that such business contributes to the cost of design, labor, and materials that is for the rehabilitation and improvements of the football fields operated by the GNYFF, as identified, and approved by the Guam Economic Development Authority (GEDA), shall be entitled to credit of unpledged business privilege taxes. The basis for contribution to the project shall be the actual cost of the contribution plus the cost of transportation 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.

§ 771303. Cap on Business Privilege Tax Credits for the Rehabilitation and Improvements of Football Fields Operated by the Guam National Youth Football Federation.

(a) The total amount of credits against unpledged business privilege taxes pursuant to § 771302 of this Article for the rehabilitation and improvements of the football fields operated by the GNYFF authorized herein shall not exceed Three Million Dollars ($3,000,000) over a five (5) year period, and shall be executed as follows:

(1) For the first (1st) year, beginning in Fiscal Year 2023 which commences on October 1, 2022, up to One Million Dollars ($1,000,000) in tax credits shall be authorized.

(2) For years two (2), three (3), four (4), and five (5) which commence on October 1, 2023, October 1, 2024, October 1, 2025, and October 1, 2026, respectively, no more than Five Hundred Thousand Dollars ($500,000) in tax credits shall be authorized for each year of the program.

(3) No more than Six Hundred Thousand Dollars ($600,000) in unpledged business privilege tax credits pursuant to § 771302 of this Article shall be issued for any one (1) field within the five (5) year period pursuant to this Section.

(b) If, at the expiration of the five (5) year period authorized pursuant to this Section, there are still unclaimed authorized tax credits, *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 term and modify any part of the program based on future improvement plans and demand in this location.

(d) Construction and professional services, equipment, and materials shall be competitively procured.

§ 771304. Credits Against Excise Tax.

(a) A business, to the extent that such business contributes to the cost of design, labor, and materials that are for the rehabilitation and improvements of the football fields operated by the GNYFF, as identified, and approved by the Guam Economic Development Authority (GEDA), shall be entitled to credit of excise taxes, excluding those pledged to the Healthy Futures Fund. The basis for contribution to the project shall be the actual cost of the contribution plus the cost of transportation 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.

§ 771305. Cap on Excise Tax Credits for the Rehabilitation and Improvements of the Football Fields Operated by the GNYFF.

(a) The total amount of credits against excise taxes, not inclusive of those pledged for the Healthy Futures Fund pursuant to § 771304 of this Article for the rehabilitation and improvements of the football fields operated by the GNYFF authorized herein, shall not exceed the cumulative total of Two Million Dollars ($2,000,000) over a five (5) year period, and shall be executed as follows:

(1) For the first (1st) year, beginning in Fiscal Year 2023 which commences on October 1, 2022, up to Five Hundred Thousand Dollars ($500,000) in tax credits shall be authorized.

(2) For years two (2), three (3), four (4), and five (5) which commence on October 1, 2023, October 1, 2024, October 1, 2025, and October 1, 2026, respectively, no more than Three Hundred Seventy-five Thousand Dollars ($375,000) in tax credits shall be authorized for each year of the program.

(3) No more than Four Hundred Thousand Dollars ($400,000) in excise tax credits pursuant to § 771304 of this Article shall be issued for any one (1) field within the five (5) year period pursuant to this Section.

(b) If, at the expiration of the five (5) year period authorized pursuant to this Article, there are still unclaimed authorized tax credits, *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 term and modify any part of the program based on future improvement plans and demand in this location.

(d) Construction and professional services, equipment and materials shall be competitively procured.

§ 771306. Guam Economic Development Authority (GEDA) Report.

GEDA shall submit a report to *I Liheslaturan Guåhan* detailing the impact of the program on the business privilege taxes, excise taxes, and economic activities in 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 caps pursuant to § 771303 and § 771305 of this Article are exhausted.

§ 771307. 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; and shall process the tax credits pursuant to § 771302 and § 771304 of this Article, and ensure that such requests are in conformance with the law and applicable rules and regulations.

§ 771308. Approval of Contributions.

GEDA or its designee, in coordination with the GNYFF, shall be responsible for approving the contributions made towards the development, construction, financing, maintenance, rehabilitation, and improvements of the football fields operated by the GNYFF, as identified in this Article.

The Department of Parks and Recreation, the respective Mayor, or the non-profit group, which has jurisdiction over the respective football field, shall have regulatory and advisory oversight, to the extent appropriate, of the rehabilitation and improvements of the football fields operated by the GNYFF, pursuant to this Article, with the scope of authority limited to ensuring that any rehabilitation and improvement plan is within the realms of existing statutes.

The entity which has jurisdiction over the field, pursuant to § 771301 of this Article, shall be responsible for submitting the plan pursuant to § 771310 of this Article, and this responsibility shall be extended to, but may not be limited to,

obtaining price quotations, pursuant to applicable procurement rules, regulations, and laws, along with program marketing.

§ 771309. Fines and Penalties.

(a) To the extent that a company providing materials and services for the project contained herein takes more tax benefits in terms of unpledged business privilege taxes or excise 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.

(b) To the 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 materials or services contributed to the project, such individual shall be guilty of a felony in the third (3rd) degree punishable by a fine of not less than Five Thousand Dollars ($5,000) or one (1) year in prison or both.

§ 771310. Submission of Plan.

The Guam Economic Development Authority shall not accept any requests for tax credits, pursuant to this Article, until the GNYFF submits a viable development plan for the fields proposed for said development."

Section 3. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or inorganic, 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.