

*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
22-36 (COR)	Mary Camacho Torres Telena Cruz Nelson Tina Rose Muña Barnes Amanda L. Shelton	AN ACT TO DECREASE THE BUSINESS PRIVILEGE TAX TO FOUR AND ONE HALF PERCENT (4.5%) BEGINNING ON OCTOBER 1, 2021 AND FOUR PERCENT (4%) ON OCTOBER 1, 2022; AND TO FURTHER DEPOSIT ONE EIGHTEENTH (1/18) OF THE AMOUNT OF BUSINESS PRIVILEGE TAX COLLECTED FOR THE PERIOD OF OCTOBER 1, 2021 THROUGH SEPTEMBER 30, 2022 TO AN UNEMPLOYMENT COMPENSATION TRUST FUND; AND TO FURTHER ADD A NEW ARTICLE 4 TO DIVISION 1 OF CHAPTER 1, TITLE 22 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF THE COMMISSION ON UNEMPLOYMENT RELIEF AND EQUITY FOR THE DEVELOPMENT OF AN UNEMPLOYMENT INSURANCE PROGRAM IN GUAM UNDER THE U.S. UNEMPLOYMENT INSURANCE FEDERAL-STATE SYSTEM; AND TO FURTHER CITE THIS ACT AS THE "GUAM EMPLOYMENT ASSISTANCE AND RELIEF ACT OF 2021."	1/13/21 10:36 a.m.						

***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2021 (FIRST) Regular Session**

**Bill No. 22-36 (COR)**

Introduced by:

Mary Camacho Torres

Telena Cruz Nelson

Tina Rose Muña Barnes

Amanda L. Shelton

*Mary C. Torres*  
*Telena Cruz Nelson*  
*Tina Rose Muña Barnes*  
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**AN ACT TO DECREASE THE BUSINESS PRIVILEGE TAX TO FOUR AND ONE HALF PERCENT (4.5%) BEGINNING ON OCTOBER 1, 2021 AND FOUR PERCENT (4%) ON OCTOBER 1, 2022; AND TO FURTHER DEPOSIT ONE EIGHTEENTH (1/18) OF THE AMOUNT OF BUSINESS PRIVILEGE TAX COLLECTED FOR THE PERIOD OF OCTOBER 1, 2021 THROUGH SEPTEMBER 30, 2022 TO AN UNEMPLOYMENT COMPENSATION TRUST FUND; AND TO FURTHER ADD A NEW ARTICLE 4 TO DIVISION 1 OF CHAPTER 1, TITLE 22 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF THE COMMISSION ON UNEMPLOYMENT RELIEF AND EQUITY FOR THE DEVELOPMENT OF AN UNEMPLOYMENT INSURANCE PROGRAM IN GUAM UNDER THE U.S. UNEMPLOYMENT INSURANCE FEDERAL-STATE SYSTEM; AND TO FURTHER CITE THIS ACT AS THE "GUAM EMPLOYMENT ASSISTANCE AND RELIEF ACT OF 2021."**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds**

**that economic insecurity due to unemployment is a threat to the health, morale, and**

1 welfare of the people of Guam, and protection against this hazard requires  
2 appropriate action by the Legislature.

3 *I Liheslaturan Guåhan* further finds that the United States Unemployment  
4 Insurance Program was established to address this need by providing partial wage  
5 replacement to those unemployed through no fault of their own—safeguarding  
6 individuals against distress for a period of time after they become unemployed.  
7 Presently, all fifty (50) states plus the Commonwealth of Puerto Rico and the U.S.  
8 Virgin Islands have established unemployment insurance programs through a  
9 federal-state joint venture under the Unemployment Insurance system.

10 *I Liheslaturan Guåhan* further finds that local lawmakers have sought to  
11 establish a permanent unemployment compensation program in Guam for decades.  
12 While the late Speaker Don Parkinson introduced unemployment insurance  
13 legislation during each of five (5) terms (Bill No. 929 during the 19<sup>th</sup> Guam  
14 Legislature, Bill No. 285 during the 20<sup>th</sup> Guam Legislature, Bill No. 101 during the  
15 21<sup>st</sup> Guam Legislature, Bill No. 123 during the 22<sup>nd</sup> Guam Legislature, and Bill No.  
16 99 during the 23<sup>rd</sup> Guam Legislature), none of these proposals were successful in  
17 establishing such a program. Further, former Vice Speaker Telenia C. Nelson—  
18 having the prescience to propose a financial assistance program for Guam’s working  
19 families during the 2019 Novel Coronavirus (COVID-19) pandemic—introduced  
20 Bill No. 313-35 (COR) in the 35<sup>th</sup> Guam Legislature prior to Governor Leon  
21 Guerrero signing an agreement with the United States Department of Labor  
22 (USDOL) to establish the Pandemic Unemployment Assistance (PUA) program in  
23 Guam.

24 *I Liheslaturan Guåhan* further finds that the global COVID-19 pandemic has  
25 only compounded Guam’s state of economic insecurity. According to an  
26 unemployment report published by the Guam Department of Labor in December of  
27 2020, the number of individuals unemployed in Guam as of June 2020 totaled 12,890

1 while 48,920 individuals were labeled as those not in the labor force. These figures,  
2 which do not take into account the second half of the year, underscore the need to  
3 finance a safety net in Guam beyond the expiration of the federally funded Pandemic  
4 Unemployment Assistance program.

5 While an unemployment insurance program traditionally requires the  
6 compulsory setting aside of reserves over a period of time, to be used to fund the  
7 first benefits to eligible unemployed persons, *I Liheslaturan Guåhan* recognizes that  
8 the business community has been unduly impacted by the present pandemic, and that  
9 the financing of such a reserve should not sacrifice the ability of the community to  
10 recover economically.

11 It is therefore the intent of *I Liheslaturan Guåhan* to reduce the Business  
12 Privilege Tax by one half percent (0.5%) from five percent (5.0%) to four-and-one-  
13 half percent (4.5%) beginning on October 1, 2021, and to redirect one quarter percent  
14 (0.25%) of the remaining four and one half percent (4.5%)—or an equivalent of one  
15 eighteenth (1/18) of the Business Privilege Tax collected until September 30, 2022—  
16 into a newly-created Trust Fund for the sole purpose of building a reserve for  
17 unemployment compensation. On October 1, 2022, *I Liheslatura* intends to reduce  
18 the Business Privilege Tax to four percent (4.0%).

19 *I Liheslaturan Guåhan* finds that this phased in approach provides for  
20 financial reprieve for our business community with a reduction in the Business  
21 Privilege Tax on October 1, 2021, the government of Guam, which is provided a  
22 phased-in reduction in tax revenues to allow for the adjustment in budgetary  
23 priorities, and the people of Guam which will be provided a safety net with a funded  
24 unemployment trust fund where benefits can begin as early as Fiscal Year 2023.

25 *I Liheslaturan Guåhan* therefore declares, in its considered judgment, the  
26 public good and the general welfare of the people of Guam, that the enactment of

1 this measure is required to ensure a basic level of protection for Guam's working  
2 population in the years to come.

3 **Section 2. Business Privilege Tax Decrease.** Notwithstanding any other  
4 provision of law, rule, or regulation, the business privilege tax shall be four-and-one-  
5 half percent (4.5%) beginning on October 1, 2021 and four percent (4 %) on October  
6 1, 2022.

7 **Section 3. Unemployment Compensation Trust Fund.**

8 **(a) Creation.** There is hereby created, separate and apart from all other funds  
9 of the government of Guam, a trust fund, known as the Unemployment  
10 Compensation Trust Fund ("Trust Fund"). The Trust Fund shall not be commingled  
11 with the General Fund or any other funds of the government of Guam, and it shall  
12 be maintained in a separate bank account, administered by the Department of  
13 Administration.

14 **(b) Deposit to Unemployment Compensation Trust Fund.**

15 **(i) Legislative Intent.** The amount of one quarter of one percent  
16 (0.25%) of the four-and-one-half percent (4.5%) Business Privilege Tax for  
17 the period October 1, 2021 through September 30, 2022 is intended to be  
18 deposited into the Trust Fund. This amount represents one eighteenth (1/18th)  
19 of Business Privilege Tax revenues.

20 **(ii) Deposit.** Notwithstanding any other provision of law, rule, or  
21 regulation, the Director of the Department of Administration shall deposit the  
22 amount of one eighteenth (1/18) of the total Business Privilege Tax revenues  
23 in the preceding quarter, to the Fund no later than thirty (30) days after the  
24 end of each quarter in Fiscal Year 2022.

25 **(c) Expenditures from the Trust Fund.** No withdrawals or transfers of cash  
26 or funds shall be made from the Trust Fund for purposes other than to transfer such



1 cash or funds to an established Unemployment Trust Fund account in the Treasury  
2 of the United States.

3 **(d) Prohibitions Against Expenditures.** Any and all expenditures from the  
4 Trust Fund shall be for the payment outlined in Section 3(c) of this Act, and for no  
5 other purpose. Any person in violation of this Section shall be guilty of a  
6 misdemeanor.

7 **(e) No Transfer Authority.** The money placed in the Trust Fund is not subject  
8 to any transfer authority of *I Maga'hågan Guåhan*.

9 **Section 4.** A new Article 4 is hereby *added* to Division 1 of Chapter 1, Title  
10 22 of the Guam Code Annotated, to read:

11 **“ARTICLE 4**

12 **Commission on Unemployment Relief and Equity (CURE)**

13 **§ 1401. Establishment.**

14 **§ 1402. Composition.**

15 **§ 1403. Duties of Commission.**

16 **§ 1404. Conduct of Meetings.**

17  
18 **§ 1401. Establishment.** The Commission on Unemployment Relief and  
19 Equity (CURE) is hereby established for the special purpose of developing policy  
20 direction and recommendations relative to coordination, planning, promotion, and  
21 implementation of an unemployment insurance program in Guam under the U.S.  
22 Unemployment Insurance federal-state system.

23 **§ 1402. Composition.** The composition of the Commission shall be as  
24 follows:

25 **(a) The Director of the Department of Labor, or his or her assigned**  
26 **representative, shall serve as the Chairperson of the Commission;**

1        (b) The Director of the Department of Revenue and Taxation (DRT) or his  
2 or her assigned representative, shall serve as the Vice Chairperson;

3        (c) The Chief Economist of the Bureau of Labor and Statistics;

4        (d) The Legislative Chairperson with oversight over the Department of  
5 Labor;

6        (e) Six members appointed by the Governor of Guam

7            (1) Two of which are employers with twenty-five (25) or more  
8 employees;

9            (2) Two of which are employers with less than twenty-five (25)  
10 employees;

11           (3) One employee representing organized labor; and

12           (4) One employee not holding a managerial position.

13        The Guam Department of Labor shall provide the administrative support for  
14 the Commission toward carrying out its duties and responsibilities herein.

15        **§ 1403. Duties of Commission.**

16        (a) The Commission shall work collaboratively to create policy  
17 recommendations, rules, and regulations to establish an unemployment insurance  
18 program in Guam under the U.S. Unemployment Insurance federal-state system. The  
19 Commission may hire professional and legal or technical services to assist and  
20 perform studies, roundtables, conduct polls and or surveys to report findings and  
21 present initial guidelines for an unemployment insurance program so that a proposal  
22 can be presented to the broader community as a concrete, well-considered, and  
23 cohesive program. Policy recommendations and the rules and regulations shall  
24 include but not be limited to the following:

25           (1) Workers to be covered for unemployment insurance,

26           (2) Benefits (qualifying requirements, weekly benefit amount,  
27 maximum potential benefits, benefit for a week of unemployment, etc.)

1           (3) Conditions for receipt of benefits (eligibility for benefits,  
2           disqualifications)

3           (4) Determinations, notices, and payments of benefits

4           (5) Appeals (review by hearing examiners, hearing procedures and  
5           record, notices, rules of decision, limitation of fees, etc.)

6           (6) Coverage (determination and re-determination of whether  
7           service performed is employment)

8           (7) Contributions (payment of contributions)

9           (8) Collections of delinquent and contested contributions—interest  
10          on past due contributions

11          (9) The establishment and control of the Unemployment Insurance  
12          Fund

13          (10) Administration (Unemployment Insurance Service)

14          (11) Penalties (misrepresentation to obtain benefits)

15          (12) Reciprocal Arrangements (interstate benefit payments)

16          (13) Funds necessary for the launching of the program

17          (b) The Commission shall report its findings and recommendations  
18          together with proposed rules and regulations for a Guam Unemployment Insurance  
19          Program to I Liheslaturan Guåhan no later than July 31, 2022, and shall be subject  
20          to legislative approval and perform all functions necessary to effectuate the mission  
21          of the Commission as adopted.

22          § 1404. Conduct of Meetings. The Commission shall meet once a month to  
23          discuss and assess progress and recommendations. A simple majority of members  
24          of the Commission shall constitute a quorum to do business; any action taken by the  
25          Commission shall be by a simple majority of the members.”

26          **Section 5. Appropriation.** The sum of Fifty Thousand Dollars (\$50,000) is  
27 hereby appropriated from the General Fund in Fiscal Year 2022 to the Guam



1 Department of Labor to fulfill the requirements of § 1403 of Article 4, Division 1,  
2 Chapter 1, Title 22 of the Guam Code Annotated and to provide administrative  
3 support to the Commission on Unemployment Relief and Equity (CURE) in Fiscal  
4 Year 2022. Any unexpended funds shall continue to be available until fully  
5 expended for the administration of an unemployment insurance program under the  
6 U.S. Unemployment Insurance federal-state system.

7       **Section 6. Effective Date of Commission.** The first meeting of the  
8 Commission shall take place no later than twenty (20) days after enactment of this  
9 Act. If the twentieth (20th) day of the first meeting and subsequent meetings fall on  
10 a Saturday, Sunday or a government of Guam holiday, then the first meeting of the  
11 Commission shall take place on the next available business day.

12       **Section 7. Sunset Provision.** The Commission on Unemployment Relief  
13 and Equity (CURE) shall remain in effect until the recommendations of the  
14 Commission are approved by *I Liheslaturan Guåhan*.

15       **Section 8. Short Title.** This Act shall be cited as the Guam Employment  
16 Assistance and Relief (GEAR) Act of 2021.

17       **Section 9. Severability.** If any provision of this Act or its application to  
18 any person or circumstance is found to be invalid or contrary to law, such invalidity  
19 *shall not* affect other provisions or applications of this Act that can be given effect  
20 without the invalid provision or application, and to this end the provisions of this  
21 Act are severable.