

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.						

***I MINA 'TRENTAIS AIS NA LIHESLATURAN GUÅHAN***  
**2022 (SECOND) Regular Session**

**Bill No. 327-36 (COR)**

Introduced by:

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.**

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

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

**Article 13:**

**Tax Credits for Contributors to Guam National Tennis Federation**

**§771300. Legislative Findings.**

**§771301. Definitions.**

**§771302. Credits Against Business Privilege Tax.**

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

**§771304. Rules and Regulations.**

**§771305. GEDA Report**

1        **§771300. Legislative Findings.** *I Liheslaturan Guåhan* finds that the Guam  
2        National Tennis Federation (GNTF) developed, constructed and operates a tennis center  
3        known as the Guam National Tennis Center (GNTC) at the Department of Parks and  
4        Recreation's Guam Sports Complex in Dededo (Dededo Sports Complex) that  
5        accommodates local tennis groups and the public. In the last two (2) years, there has been  
6        an increase in usage of the GNTC. The GNTC consists of ten (10) tennis courts, of which  
7        six (6) are adult courts and four (4) are children's courts. The GNTF is presently building  
8        five (5) additional adult courts.

9        *I Liheslatura* finds that local Tennis Federation is expanding to provide additional  
10       tennis courts for their members and the public. Currently, private businesses are donating  
11       to the GNTF for development, maintenance and operation of the GNTC, including the  
12       construction of additional tennis courts.

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

16       **§771301. Definitions.**

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

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

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

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

26       **§771302. Credits Against Business Privilege Tax.**



1           (a) To extent that any business contributes to the actual cost of construction,  
2           development, upgrade, repair, or maintenance, or the debt service for the  
3           cost of the same, of the Guam National Tennis Center Facilities, such  
4           business shall be entitled to credits of business privilege taxes. The basis  
5           for the contributions to the project shall be the actual cost of the contribution  
6           plus the cost of transportation, if any, from the point of origin to its  
7           destination.

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

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

12          **§771303. Cap on Business Privilege Tax Credits for Construction**  
13          **Development, Design, Repair or Maintenance of the Guam National Tennis**  
14          **Federation facilities.**

15          (a) The total amount of credits against unpledged business privilege taxes for  
16          the construction development, design, repair, or maintenance of the Guam  
17          National Tennis Federation Court shall not exceed Six Hundred Thousand  
18          Dollars (\$600,000) over a three (3) year period. No more than Two  
19          Hundred Thousand Dollars (\$200,000) in tax credits shall be authorized  
20          for each year of the program.

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

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

1       **§771304. Limits of Liability**

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

15       **§771305. Fines and Penalties**

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



1       **§771306. Public Access to Guam National Tennis Federation Center**

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

7       **§771307. Filing of Annual Reports.**

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

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

16       **§771308. GEDA Report**

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

23       **§771309. Rules and Regulations.**

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

1           **Section 2. Severability.** If any provision of this Act or its application to any person  
2 or circumstances is found to be invalid or contrary to law, such invalidity shall not affect  
3 other provisions or applications of this Act that can be given effect without the invalid  
4 provision or application, and its this end the provisions of this Act are severable.

5           **Section 3. Effective Date.** This act shall be enacted immediately.