




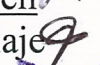
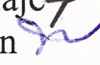

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
298-35 (COR)	Joe S. San Agustin Tina Rose Muña Barnes Clynton E. Ridgell Jose "Pedro" Terlaje James C. Moylan William M. Castro	AN ACT TO AMEND § 77704, § 77705, § 77706, AND § 77710, ALL OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO THE REHABILITATION AND IMPROVEMENT OF THE HARMON INDUSTRIAL PARK.	2/18/20 2:11 p.m.						

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

Bill No. 298 -35 (COR)

Introduced by:

Joe S. San Agustin 
Tina Rose Muña Barnes 
Clynton E. Ridgell 
Jose 'Pedo' Terlaje 
James C. Moylan 
William M. Castro 

AN ACT TO AMEND § 77704, § 77705, § 77706, AND § 77710, ALL OF CHAPTER 77, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO THE REHABILITATION AND IMPROVEMENT OF THE HARMON INDUSTRIAL PARK.

2020 FEB 18 PM 2:11

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that Public Law 33-191 established a Public Private Partnership (PPP) which
4 allowed for the rehabilitation and improvement of the Harmon Industrial Park.
5 The project allowed private entities to invest up to \$4,000,000 in lieu of tax credits
6 which would be spread out over a 5 year period. The objectives were two-fold,
7 with the first to assure that the government's coffers were not impacted
8 tremendously; hence a cap was placed on the amount of credits that could be
9 availed per year. The second objective was to improve dreadful road conditions in
10 an industrial strip which employs and houses hundreds, and experiences thousands
11 of commuters entering the zone for commerce purposes. With the government's
12 financial woes, this PPP essentially provided an "interest free" loan.

1 The rehabilitation project broke ground late in 2019, and it has been
2 determined that due to creativity and cost cutting measures the total project as
3 identified in the Architectural and Engineering Design (A&E) would estimate at a
4 cost below the \$4,000,000 that was originally projected and approved. Since
5 logistics plays a cost factor with construction, it is only practical that with tax
6 credits being availed, that *I Liheslaturan Guåhan* provide the authorization for the
7 remaining funds from this project to be utilized to rehabilitate and improve those
8 streets in the Industrial Park that were not identified in the approved A&E. This
9 would further provide a benefit to the community, and the plan for the additional
10 repairs would be approved by the Department of Public Works to assure a fair and
11 balanced approach is utilized.

12 **Section 2.** § 77704 of Chapter 77, Title 12, Guam Code Annotated is hereby
13 *amended* to read as follows:

14 **“§ 77704. Credits Against Use Excise Tax.**

15 (a) A business, to the extent that such business contributes to the cost of
16 design, labor, and materials that are for the rehabilitation and improvement of the
17 Harmon Industrial Park roadway, as identified and approved by GEDA [Guam
18 Economic Development Authority], *shall* be entitled to credit of use excise taxes,
19 excluding those tobacco taxes pledged to the Healthy Futures Fund. The basis for
20 contribution to the project *shall* be the actual cost of the contribution plus the cost
21 of transportation from the point of origin to its destination.

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

24 (c) The total credits allowed under this Article *shall* not exceed the actual
25 dollar amount of the expenditures on the project.”

26 **Section 3.** § 77705 of Chapter 77, Title 12, Guam Code Annotated is hereby
27 *amended* to read as follows:

1 **“§ 77705. Cap on Use Excise Tax Credits for the Rehabilitation and**
2 **Improvement of the Harmon Industrial Park Roadway.**

3 (a) The total amount of credits against use excise taxes, not inclusive of
4 those pledged for the Healthy Futures Fund, for the rehabilitation and
5 improvement of the Harmon Industrial Park Roadway authorized herein
6 *shall not* exceed Three Million Dollars (\$3,000,000) over a five (5) year
7 period. For the first (1st) year, which initiates on October 1, 2017, up to Two
8 Hundred Twenty-five Thousand Dollars (\$225,000) in tax credits *shall* be
9 authorized. For years two (2), three (3), and four (4), which initiate on
10 October 1, 2018, October 1, 2019, and October 1, 2020, respectively, no
11 more than Seven Hundred Fifty Thousand Dollars (\$750,000) in tax credits
12 *shall* be authorized for each year of the program. For the fifth (5th) and final
13 year, which initiates on October 1, 2021, no more than Five Hundred
14 Twenty-five Thousand Dollars (\$525,000) in tax credits *shall* be authorized.

15 (b) If, at the expiration of the five (5) year period authorized pursuant to this
16 Article, there are still unclaimed authorized tax credits, *I Liheslaturan*
17 *Guåhan* may, in its discretion, extend the eligible period until such time that
18 all eligible tax credits are exhausted.

19 (c) *I Liheslaturan Guåhan* may, in its discretion, extend the term and modify
20 any part of the program based on future improvement plans and demand in
21 this location.

22 (d) Construction and professional services and equipment and materials *shall*
23 be competitively procured.”

24 **Section 4.** § 77706 of Chapter 77, Title 12, Guam Code Annotated is hereby
25 *amended* to read as follows:

26 **“§ 77706. GEDA Report.**

1 GEDA shall submit a report to *I Liheslaturan Guåhan* detailing the impact
2 of the program on the business privilege taxes, use excise taxes, and economic
3 activities on Guam. GEDA shall also include in its report its monitoring efforts and
4 any other information related to the program. The report shall be transmitted to *I*
5 *Liheslaturan Guåhan* on an annual basis until the tax credit caps pursuant to §§
6 77703 and 77705 of this Article are exhausted.”

7 **Section 5.** § 77710 of Chapter 77, Title 12, Guam Code Annotated is hereby
8 *amended* to read as follows:

9 **“§ 77710. Architectural and Engineering Design.**

10 (a) Prior to the approval of any tax credits under §§ 77702 and 77704 of this
11 Article, as well as the initiation of any rehabilitation or improvement
12 projects identified in this Article, up to Three Hundred Thousand Dollars
13 (\$300,000) shall be expended for an Architectural and Engineering Design
14 for the Harmon Industrial Park Roadway project identified in this Article.
15 This design must identify all the projects, including the total costs that would
16 qualify under the tax credits of this Act. The design must be completed *no*
17 *later than* May 1, 2018.

18 (b) Upon completion of the Architectural and Engineering Design, *I*
19 *Liheslaturan Guåhan* may authorize the initiation of the rehabilitation and
20 improvement of the Harmon Industrial Park roadway, along with the
21 approval of the remaining credits under §§ 77702 and 77704 of this Article.

22 (c) Any costs associated with the Architectural and Engineering Design,
23 with a maximum amount of Three Hundred Thousand Dollars (\$300,000),
24 shall qualify for the credits identified under §§ 77702 and 77704 of this
25 Article, and shall be subject to the cap of the credits identified in §§ 77703
26 and 77705 of this Chapter.

1 (d) The Architectural and Engineering Design that is approved and
2 incorporated by *I Liheslaturan Guåhan* shall be the framework for the
3 project identified in this Article. Notwithstanding any other provisions of
4 the law, if upon completion, the total cost of the project identified in the
5 approved Architectural and Engineering Design pursuant to this Chapter is
6 below the total amount of the cap of the tax credits indentified in §§ 77703
7 and 77705 of this Chapter, additional streets in the Harmon Industrial Park
8 which were not identified for repairs in the original framework of the design,
9 shall be repaired and rehabilitated, as long as 1) The Department of Public
10 Works approves the plan, and 2) The total costs of these additional repairs
11 remain within the cap and timelines of the tax credits identified in §§ 77703
12 and 77705 of this Chapter.

13 (e) The Department of Public Works *shall* have regulatory oversight, to the
14 extent appropriate, of the rehabilitation and improvement of the Harmon
15 Industrial Park roadway envisaged by this Act, to include, but not be limited
16 to, the Architectural and Engineering Design described in this Section.”

17 **Section 6. 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
19 invalidity *shall not* affect other provisions or applications of this Act that can be
20 given effect without the invalid provision or application, and to this end the
21 provisions of this Act are severable.

22 **Section 7. Effective Date.** The act *shall* become effective immediately
23 upon enactment.