

*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
<b>128-35 (LS)</b> As amended by the Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor; and further amended on the Floor	Régine Biscoe Lee Amanda L. Shelton Mary Camacho Torres William M. Castro	AN ACT TO AMEND ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS.	5/1/19 12:03 p.m.	6/21/19	Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor	8/1/19 2:00 p.m.	9/23/19 9:39 a.m.	Request: 6/21/19  7/2/19	
	<b>SESSION DATE</b>	<b>TITLE</b>	<b>DATE PASSED</b>	<b>TRANSMITTED</b>	<b>DUE DATE</b>	<b>NOTES</b>			
	9/30/19	AN ACT TO AMEND ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS.	10/4/19	10/7/19	10/18/19				



**COPY**

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
Thirty-Fifth Guam Legislature

Tina Sanchez

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OCT 7 '19 PM 12:40

October 7, 2019

The Honorable Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*  
*Ufisinan I Maga'håga*  
*Hagåtña, Guam 96910*

Dear *Maga'håga* Leon Guerrero:

Transmitted herewith are **Bill Nos. 76-35 (COR), 81-35 (COR), 93-35 (COR), 128-35 (LS), 136-35 (COR), 149-35 (COR), and 169-35 (COR)**; and **Substitute Bill No. 155-35 (COR)**, which were passed by *I Mina'trentai Singko Na Liheslaturan Guåhan* on October 4, 2019.

Sincerely,

AMANDA L. SHELTON  
Legislative Secretary

Enclosure (8)



***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2019 (FIRST) Regular Session**

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

This is to certify that **Bill No. 128-35 (LS)**, “AN ACT TO *AMEND* ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS,” was on the 4<sup>th</sup> day of October 2019, duly and regularly passed.

**Tina Rose Muña Barnes**  
**Speaker**

Attested:

**Amanda E. Shelton**  
**Legislative Secretary**

This Act was received by *I Maga'hågan Guåhan* this 7<sup>th</sup> day of Oct,  
2019, at 12:40 o'clock P.M.

**Tina Sanchez**

**Assistant Staff Officer**  
***Maga'håga's Office***

APPROVED:

\_\_\_\_\_  
Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2019 (FIRST) Regular Session**

**Bill No. 128-35 (LS)**

As amended by the Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor; and further amended on the Floor.

Introduced by:

Régine Biscoe Lee  
Amanda L. Shelton  
Mary Camacho Torres  
William M. Castro  
Tina Rose Muña Barnes  
Telena Cruz Nelson  
Therese M. Terlaje  
Kelly Marsh (Taitano), PhD  
James C. Moylan  
Louise B. Muña  
Sabina Flores Perez  
Clynton E. Ridgell  
Joe S. San Agustin  
Telo T. Taitague  
Jose "Pedo" Terlaje

**AN ACT TO *AMEND* ARTICLE 1 OF CHAPTER 10, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO SUPPORTING THE ADMINISTRATION OF THE GUAM REGISTERED APPRENTICESHIP PROGRAM AND EXTENDING THE TAX CREDIT SUNSET PROVISION OF SAID PROGRAM FOR AN ADDITIONAL PERIOD OF FIVE (5) YEARS.**

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

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that Public Law 28-142, codified as §§ 10101 to 10115 of Article 1, Chapter 10,

1 Title 22, Guam Code Annotated, established the Guam Registered Apprenticeship  
2 Program (GRAP) in July 2006 to reduce the shortage of highly skilled workers and  
3 encourage the employment and training of apprentices in highly skilled trades and  
4 occupations.

5 *I Liheslatura* further finds that Public Law 28-142 provided gross receipts tax  
6 (GRT) incentives to eligible businesses that employ apprentices who are duly  
7 enrolled and registered in the program. Eligible businesses are entitled to tax credits  
8 against their GRT liability equal to fifty percent (50%) of the eligible training costs  
9 paid or incurred by the business.

10 *I Liheslatura* further finds that Public Law 32-181 extended the GRAP tax  
11 credit sunset provision to December 20, 2019.

12 *I Liheslatura* further finds that the GRAP currently has four hundred eighty-  
13 seven (487) active apprentices, with one hundred twenty-two (122) program  
14 participants, according to the Guam Department of Labor.

15 Therefore, it is the intent of *I Liheslaturan Guåhan* to extend the tax credit  
16 sunset provision for the GRAP for an additional period of five (5) years, and to  
17 further support the Department of Labor in administering this program by  
18 establishing a two and one-half percent (2.5%) administration fee for the participants  
19 availing themselves of the GRAP tax credits by amending Article 1 of Chapter 10,  
20 Title 22, Guam Code Annotated.

21 **Section 2.** Article 1 of Chapter 10, Title 22, Guam Code Annotated, is  
22 hereby *amended* to read:

23 **“ARTICLE 1**

24 **GUAM REGISTERED APPRENTICESHIP PROGRAM**

25 § 10101. Short Title.

26 § 10102. Definitions.

27 § 10103. Guam Registered Apprenticeship Program.

- 1           § 10104.   Apprenticeship Program Occupations Approved for the Guam  
2                                   Registered Apprenticeship Program.
- 3           § 10105.   Authorization to Enter into Apprenticeship Agreements.
- 4           § 10106.   Eligibility of Apprentices.
- 5           § 10107.   Administration of the Guam Registered Apprenticeship  
6                                   Program.
- 7           § 10108.   Tax Credit for Apprenticeship Program Participants.
- 8           § 10109.   Implementation of Tax Credit by Tax Commissioner.
- 9           § 10110.   Participation Requirements for Apprentices.
- 10          § 10111.   Cooperative Programs Authorized.
- 11          § 10112.   Effective Date.
- 12          § 10113.   Tax Credit Sunset Provision.
- 13          § 10114.   Reporting Requirements.
- 14          § 10115.   Building Guam’s Trades Scholarship Program.
- 15          **§ 10101.   Short Title.**

16                   This Article *shall* be cited as the “*Guam Registered Apprenticeship*  
17 *Program Law.*”

18          **§ 10102.   Definitions.**

19                   As used in this Article:

20                   (a)   *Apprentice* means an employee of a business participating in the  
21                   Guam Registered Apprenticeship Program who is at least sixteen (16) years  
22                   of age, except when a higher minimum age is otherwise fixed by law, and who  
23                   is employed to learn a skilled trade.

24                   (b)   *Apprenticeship Program* or *Apprenticeship Training Program*  
25                   means a comprehensive training program designed to teach an apprentice how  
26                   to perform all duties in a recognized skilled craft or trade at the journeyman  
27                   level that is described by a plan containing all terms and conditions for the

1 qualification, recruitment, selection, employment, and training of apprentices  
2 and a written apprenticeship agreement.

3 (c) *USDOL-OA* means the Office of Apprenticeship of the U.S.  
4 Department of Labor.

5 (d) *Business* means a professional group, association, corporation,  
6 partnership, sole proprietorship, trust, foundation, or any other individual or  
7 organization carrying on any business whether or not operated for profit.

8 (e) *DOL* means the Department of Labor of the government of  
9 Guam.

10 (f) *Director* means the Director of Labor.

11 (g) *Employer* means a business employing an apprentice whether or  
12 not such business has an apprenticeship agreement with the apprentice.

13 (h) *Institution of higher education* means the Guam Community  
14 College, the University of Guam, licensed post-secondary institutions, or  
15 licensed post-secondary training programs.

16 (i) *Occupational list* means a list of occupations prioritizing needed  
17 trades that corresponds with a USDOL-OA apprenticeship training program  
18 that lists the occupational trades approved for apprenticeship training within  
19 the Program, also known as Guam Demand Occupation Listing.

20 (j) *Program* means the Guam Registered Apprenticeship Program,  
21 an occupationally driven apprenticeship training program meeting the  
22 standards of the U.S. Department of Labor, Office of Apprenticeship, that is  
23 recognized and approved as an occupational priority by DOL to which this  
24 Article applies.

25 (k) *Program participant* means an employer that employs  
26 apprentices who receive training through a program provider of a registered  
27 apprenticeship program.

1           (1) *Program Provider* means a business or institution of higher  
2 education that conducts a registered apprenticeship program recognized by  
3 the United States Department of Labor (USDOL), Office of Apprenticeship  
4 (OA). A business with a registered apprenticeship program may be both a  
5 program participant and a program provider.

6           (m) *Tax Commissioner* means the Tax Commissioner of Guam, the  
7 Director of Revenue and Taxation.

8           (n) *Tax credit* means an offset to business privilege tax owed by a  
9 business equal in amount to fifty percent (50%) of all eligible costs paid or  
10 incurred by a program participant to train an apprentice.

11           (o) *Trade* means the skilled practice of an occupation.

12           (p) *USDOL* means the United States Department of Labor.

13       **§ 10103. Guam Registered Apprenticeship Program.**

14           There is hereby established the Guam Registered Apprenticeship  
15 Program to be administered by the Director. The purposes of the Program are  
16 to reduce the shortage of highly skilled workers; to encourage employers to  
17 hire and train apprentices in highly skilled trades and occupations; to authorize  
18 tax credits for certain long term apprenticeship training expenses; and to  
19 ensure that apprentices continue to pay income taxes and participate in the  
20 economy.

21       **§ 10104. Apprenticeship Program Occupations Approved for the**  
22 **Guam Registered Apprenticeship Program.**

23           Each year, the Director *shall* establish a list of skilled occupations and  
24 trades approved for the Program. All occupations listed in the USDOL-OA  
25 listing are eligible apprentice occupations for the Program. The Director may  
26 conduct a public hearing, from time to time, to receive opinions and  
27 recommendations from local businesses and the general public to determine



1 other areas needing additional professional and skilled technical trade  
2 workers. Regardless of whether this public hearing is conducted, the Director  
3 *shall* also consider new program participant applications and agreements as  
4 they are submitted for review, and *shall* emphasize occupations in the fields  
5 of *CHamoru* cultural practices, human resources development, office  
6 technology, medical coding and billing, information technology, website  
7 coding and development, finance and accounting, cosmetology, automotive,  
8 engineering, agriculture, and aquaculture, as well as industrial work,  
9 construction, and technical trades. The Director may then amend the existing  
10 occupational list.

11 **§ 10105. Authorization to Enter into Apprenticeship Agreements.**

12 The Director, with the approval of *I Maga'hågan Guåhan*, may contract  
13 with program providers to prescribe the manner, terms, and conditions of  
14 DOL cooperation with the provider in meeting the Program's objectives. The  
15 contracts *shall* be with program providers having a registered and approved  
16 apprenticeship training program that complies with Title 29 C.F.R. Parts 29  
17 and 30.

18 **§ 10106. Eligibility of Apprentices.**

19 An apprentice must be a bona fide resident of Guam for a continuous  
20 period of not less than three (3) years before becoming an apprentice, must be  
21 a United States citizen or a permanent resident alien, and must agree to the  
22 terms and conditions of the Program and § 10110 of this Article.

23 **§ 10107. Administration of the Guam Registered Apprenticeship**  
24 **Program.**

25 (a) The Director *shall* administer the Guam Registered  
26 Apprenticeship Program and *shall* establish rules and regulations necessary to

1 implement this Article, pursuant to the Administrative Adjudication Law,  
2 within ninety (90) days after the enactment hereof.

3 (b) The Director *shall* ensure proper educational accreditation  
4 standards are met and maintained by program providers, using educational  
5 classes provided by an institution of higher education or approved educational  
6 learning resources identified in the standards.

7 (c) Program participants having apprentices in training *shall* adopt  
8 and register with the Director a written Affirmative Action Plan and Selection  
9 Procedure according to Title 29 C.F.R. Part 30. Program participants may set  
10 their own minimum requirements, qualifications, and credentials for  
11 apprentices, subject to approval by the Director, provided that said  
12 requirements are fair, nondiscriminatory, and comply with all applicable  
13 Program requirements and USDOL-OA standards.

14 (d) DOL is authorized to collect a processing fee in order to defer  
15 the cost of administering the Program. The fee *shall* be equal to two and one-  
16 half percent (2.5%) of the amount of tax credit approved by the Director on  
17 each application for certification of tax credit, and *shall* be due upon release  
18 of the certification.

19 (1) Such fees *shall* be deposited in the Manpower  
20 Development Fund to be used exclusively for the operations of DOL's  
21 apprenticeship activities.

22 **§ 10108. Tax Credit for Apprenticeship Program Participants.**

23 Any business that employs apprentices duly enrolled and registered  
24 under the terms of the Program is entitled to a tax credit against its business  
25 privilege tax liability equal to fifty percent (50%) of the eligible costs paid or  
26 incurred by the business, provided that:

1 (a) the apprenticeship training program teaches an approved  
2 occupation under § 10104 of this Article;

3 (b) the apprentice completes a training stage of an apprenticeship  
4 program as determined by DOL following USDOL-OA standards. No tax  
5 credit shall be claimed by a program participant for an apprentice unless the  
6 apprentice satisfactorily completes the current level of training;

7 (c) the eligible costs were paid or incurred during the apprentice's  
8 participation in the Program;

9 (d) the eligible costs were paid or incurred within the previous three  
10 (3) calendar years from the date the costs are submitted to DOL for  
11 certification. Costs paid or incurred earlier than the three (3) calendar years  
12 preceding the date the costs are submitted to DOL *shall not* be certified as  
13 eligible costs;

14 (e) no business or program participant holding a Qualifying  
15 Certificate (QC) *shall* claim tax credits pursuant to this Section. The Guam  
16 Economic Development Authority *shall* assist the Director in determining  
17 whether a participant may claim the credit;

18 (f) the apprentice must work a minimum of one hundred twenty  
19 (120) hours per month at the trade;

20 (g) the apprentice must be paid the prevailing wage required by the  
21 Program, which *shall* be a graduated percentage of journeyman wages as  
22 outlined in the apprenticeship standards;

23 (h) pre-apprentices are not counted as apprentices and wages earned  
24 by pre-apprentices are not eligible for this tax credit; and

25 (i) apprenticeship training costs paid by Workforce Innovation and  
26 Opportunity Act (WOIA) funds, Department of Labor Manpower Development  
27 Fund (MDF) funds, Hotel/Restaurant Industry Training Program funds, and any

1 training costs paid by the government of Guam or federal funding *shall not* be  
2 eligible Program costs and *shall not* be applied as a tax credit.

3 A program participant may only carry forward the tax credit if allowed  
4 by the Guam Department of Revenue and Taxation procedures.

5 **§ 10109. Implementation of Tax Credit by Tax Commissioner.**

6 The Tax Commissioner of Guam *shall*, no later than ninety (90) days  
7 after the enactment hereof, in cooperation with the Director, develop  
8 procedures to implement the tax credit authorized by this Article, and to that  
9 end *shall*:

10 (a) enact such requirements for claimants as may be necessary to  
11 implement this Article;

12 (b) promulgate forms and publications to assist eligible businesses  
13 claiming the tax credit;

14 (c) develop procedures to facilitate the off-set of tax credits against  
15 business privilege tax liabilities; and

16 (d) coordinate with the Director relative to verifying eligible  
17 business privilege tax credits. The Director *shall* certify eligible training costs  
18 paid or incurred pursuant to the Program.

19 **§ 10110. Participation Requirements for Apprentices.**

20 An apprentice *shall* sign an agreement with the respective employer and  
21 DOL that stipulates that, in exchange for the training, the apprentice will  
22 remain and work on Guam for a period of one (1) year for each year of  
23 participation in the Program.

24 **§ 10111. Cooperative Programs Authorized.**

25 (a) The Director may contract with government agencies,  
26 departments and instrumentalities, public or private organizations, firms,  
27 companies, businesses, program providers or individuals to provide technical

1 or skilled training programs. Said contracts *shall* provide for specialized  
2 training in needed skills not otherwise available through the Program. If this  
3 specialized training is not part of an accessory government of Guam or  
4 federally funded program, the program participant *shall* pay the training cost.

5 (b) Government of Guam agencies, departments, and  
6 instrumentalities, including autonomous agencies, *shall* provide to the  
7 Program, on a timely basis, technical support and training required by the  
8 Director to perform the duties under this Article.

9 **§ 10112. Effective Date.**

10 This Article *shall* be effective upon enactment.

11 **§ 10113. Tax Credit Sunset Provision.**

12 (a) §§ 10108, 10109, and 10110 of this Article *shall* remain in effect  
13 until December 30, 2024. Any Guam Registered Apprenticeship Program tax  
14 credits certified for a period expiring after December 30, 2019, but *no later*  
15 *than* December 30, 2024, *shall* remain in full force and effect until the period  
16 expires or the credit is canceled on other grounds.

17 (b) Tax credits that have *not* been applied to business privilege tax  
18 liability that remains after the effective date of Subsection (a) hereof may be  
19 carried forward until such tax credit is exhausted for the tax year if any part  
20 of the tax year falls before December 30, 2024.

21 **§ 10114. Reporting Requirements.**

22 The Director *shall* make a full written report to *I Liheslatura* and post  
23 the report on the Department's website within thirty (30) days after the close  
24 of each fiscal year. The report *shall* describe accurately the names of all  
25 program participants; the total amount of tax credits claimed by each program  
26 participant in the preceding fiscal year; a list of apprentices for every program  
27 participant with each corresponding occupational trade; the amount of tax

1 credits claimed by every program participant for each apprentice during the  
2 preceding fiscal year; DOL's occupational list, including the total number of  
3 apprentices trained for each Program trade; and such statistical and other  
4 information in such form and detail as *I Liheslatura* may prescribe. If the  
5 Director fails to make said report or to post it on the DOL website within thirty  
6 (30) days after the report is due, all tax credits *shall* immediately be  
7 discontinued until the Director submits and posts the report.

8 **§ 10115. Building Guam's Trades Scholarship Program.**

9 (a) There is hereby created the *Building Guam's Trades Scholarship*  
10 *Program* (Program).

11 (b) Administration of Program. The Director *shall* administer this  
12 Program and *shall* promulgate rules and regulations necessary to carry out the  
13 intent of this Section.

14 (c) Selection Committee. There *shall* be annually established an  
15 Evaluation and Selection Committee (Committee) composed of the following:

16 (1) the Director of the Department of Youth Affairs, or his  
17 designee;

18 (2) the Director of the Department of Labor, or his designee;

19 and

20 (3) the Guam Workforce Investment Board.

21 The Committee *shall* conduct interviews for the purpose of selecting  
22 scholarship recipients for the Program listed within this Section. The passing  
23 of the oral interviews, the meeting of established entrance and academic  
24 requirements for enrollment in a Guam institution of higher education, and a  
25 demonstrated financial need *shall* constitute the primary criteria for selection  
26 of scholarship recipients. The Committee may prescribe additional  
27 qualifications for admission to the scholarship programs.

1           Applications for the *Building Guam's Trades Scholarship Program*  
2 *shall* be received by April 30 of every year, and applicants *shall* be  
3 interviewed at a time and place designated by the Committee prior to June 30.  
4 Awards *shall* be granted prior to July 30 in a written notice to the selected  
5 applicant, and the applicant's school administrator, if applicable.

6           (d) Scholarships. The *Building Guam's Trades Scholarship*  
7 *Program shall* consist of students who have declared their intention to attend  
8 a Guam institution of higher education. Scholarships may be awarded to  
9 eligible students who meet all of the following criteria:

10                   (1) are bona fide residents of Guam;

11                   (2) are citizens or permanent resident aliens of the United  
12 States, or a nonimmigrant alien admitted under the Compact of Free  
13 Association between the United States and the Federated States of  
14 Micronesia, the Republic of the Marshall Islands, and Palau;

15                   (3) are seniors or graduates of an accredited high school with  
16 a cumulative grade point average of not less than 2.0 on a 4.0 scale, or  
17 its equivalent;

18                   (4) have been admitted to a Guam institution of higher  
19 education in accordance with its admissions policies; and

20                   (5) the applicant must be in financial need, which *shall* be  
21 determined by completing a "Free Application for Federal Student Aid"  
22 (FAFSA) form as documentary evidence of need.

23           (e) Same: Benefits. Students entitled to scholarships pursuant to  
24 Subsection (d) of this Section *shall* receive the following benefit: a  
25 scholarship in the amount of Five Thousand Dollars (\$5,000), issued in two  
26 (2) equal installments of Two Thousand Five Hundred Dollars (\$2,500) each,

1 with each installment payable at the beginning of the semester, or other  
2 applicable training period.

3 (f) Reporting Requirements. A report *shall* be submitted to the  
4 Speaker of *I Liheslaturan Guåhan* no later than three (3) weeks after the start  
5 of each semester which, at the very least, *shall* contain the following  
6 information: the total number of recipients for that semester, sorted by new  
7 and continuing recipients; the total number of recipients that completed their  
8 degree program in the prior semester; the total amount expended for the prior  
9 semester for any activity related to the Program; and any other information  
10 that *I Liheslatura* will deem helpful in the review of the Program.”