

*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
218-35 (COR) As substituted and amended on the Floor.	James C. Moylan	AN ACT TO <i>AMEND</i> § 58104(f) AND TO ADD § 58104.1, BOTH OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE, AND A DISTRIBUTION, TRANSFORMATION OR FULFILLMENT CENTER INDUSTRY ON GUAM.	10/9/19 9:29 a.m.	11/20/19	Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response	2/11/20 9:00 a.m.	10/30/20 2:27 p.m.	11/18/19	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	NOTES			
	11/16/20	AN ACT TO <i>AMEND</i> § 58104(f) OF ARTICLE 1, CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE COMPANY, AND A DISTRIBUTION, TRANSFORMATION, OR FULFILLMENT CENTER INDUSTRY ON GUAM.	12/1/20	12/1/20	12/12/20				



COPY

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

December 1, 2020

RCVD AT CENTRAL FILE  
DEC 1 '20 PM 4:32

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. 133-35 (COR), 207-35 (COR), 401-35 (COR), 408-35 (COR), and 420-35 (LS); and Substitute Bill Nos. 197-35 (LS), 206-35 (COR), 217-35 (COR), 218-35 (COR), 253-35 (COR), 283-35 (COR), 285-35 (COR), and 419-35 (COR)**, which were passed by *I Mina'trentai Singko Na Liheslaturan Guåhan* on December 1, 2020.

Sincerely,

AMANDA L. SHELTON  
Legislative Secretary

Enclosure (13)



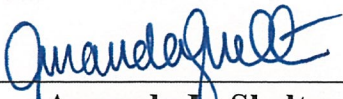
***I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN***  
**2020 (SECOND) Regular Session**

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

This is to certify that **Substitute Bill No. 218-35 (COR) "AN ACT TO AMEND § 58104(f) OF ARTICLE 1, CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE COMPANY, AND A DISTRIBUTION, TRANSFORMATION, OR FULFILLMENT CENTER INDUSTRY ON GUAM,"** was on the 1<sup>st</sup> day of December 2020, duly and regularly passed.

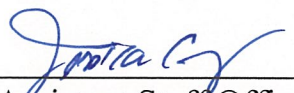
  
\_\_\_\_\_  
**Tina Rose Muña Barnes**  
**Speaker**

Attested:

  
\_\_\_\_\_  
**Amanda L. Shelton**  
**Legislative Secretary**

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This Act was received by *I Maga'hågan Guåhan* this 1<sup>st</sup> day of December, 2020, at 4:32 o'clock P.M.

  
\_\_\_\_\_  
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. 218-35 (COR)**

As substituted and amended on the Floor.

Introduced by:

James C. Moylan  
William M. Castro  
Régine Biscoe Lee  
Kelly Marsh (Taitano), PhD  
Louise B. Muña  
Tina Rose Muña Barnes  
Telen 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 *AMEND* § 58104(f) OF ARTICLE 1,  
CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED,  
RELATIVE TO CREATING A QUALIFYING  
CERTIFICATE FOR THE ENTICEMENT AND  
POTENTIAL ESTABLISHMENT OF A PROCESSING  
TRADE COMPANY, AND A DISTRIBUTION,  
TRANSFORMATION, OR FULFILLMENT CENTER  
INDUSTRY ON GUAM.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
that with Guam’s proximity to Asia, we become an ideal destination for industries  
such as a processing trade company, and a distribution, transformation, or fulfillment

1 center. Not only would enticing such entities to consider investing on Guam be  
2 beneficial in terms of stimulating our economy, but there would be a great  
3 opportunity of job creation.

4 However, the costs of labor or logistics may be a concern for potential  
5 investors; thus, the need to create viable incentives to attract such industries to offset  
6 such distresses is paramount. The Qualifying Certificate offered by the Guam  
7 Economic Development Authority (GEDA) is an ideal tool and can be catered  
8 towards the needs or benefits of an entity, while assuring that job creation and other  
9 community contributions are prioritized.

10 This legislation does not dictate the benefits to be offered to investors (as that  
11 is a function of GEDA), rather it includes new industries into the matrix of qualified  
12 trades for available incentives that can help establish additional economic activity  
13 on the island. Processing trade companies would essentially import materials with  
14 the intent of assembling or transforming them locally, and then export them to buyers  
15 off- island; and, the attraction of labeling the goods as “Made in Guam, USA” may  
16 be an enticing factor. As for distribution, transformation, or fulfillment centers,  
17 Guam’s proximity to the Asian region benefits potential tariffs and timelines, thus  
18 allowing the goods to be imported, stored, processed, and shipped from Guam.  
19 These types of industries would essentially create many jobs for island residents.

20 Further, by allowing such industries to apply for incentives it may allow local  
21 companies to either invest in such ventures or seek out outside entities to do the  
22 same. The greatest marketing tool to help manifest new industries on Guam would  
23 be the commerce community on Guam.

24 **Section 2.** § 58104(f) of Article 1, Chapter 58, Title 12, Guam Code  
25 Annotated, is hereby *amended* to read as follows:

26 “(f) manufacturing, or a processing trade company, or a distribution,  
27 transformation, or fulfillment center.

1 For the purposes of this Chapter:

2 (1) *processing trade company* means a company that imports  
3 all or part of the raw and auxiliary materials, parts and components,  
4 accessories, and packaging materials from abroad, and exports the  
5 finished product(s), or sells the products locally, after processing,  
6 transforming, or assembling such product(s) on Guam. At least fifty  
7 percent (50%) of the finished product shall be assembled on Guam to  
8 qualify for the incentives of this Chapter; and

9 (2) *distribution, transformation, or fulfillment center* means a  
10 warehouse or specialized building stocked with products to be  
11 redistributed to consumers locally or off-island and processed to order  
12 completion. The distribution, transformation, or fulfillment center may  
13 provide other services, such as product mixing, cross docking, and  
14 packaging.

15 Finished products must qualify for the Guam Product Seal  
16 pursuant to Public Law 18-42. Should there be any additional costs for  
17 GEDA in evaluating this requirement, the Qualifying Certificate holder  
18 shall bear such costs.”

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

24 **Section 4. Effective Date.** This Act shall be effective upon enactment.