

*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
1-35 (LS)	Régine Biscoe Lee James C. Moylan Tina Rose Muña-Barnes Joe S. San Agustin	AN ACT TO ADD A NEW § 26203.2 TO ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER "THE DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT."	1/7/19 11:17 a.m.	1/18/19	Committee on General Government Operations, Appropriations, and Housing	1/30/19 9:00 a.m.  4/9/19 9:00 a.m.	4/18/19 12:01 p.m.  As amended by the Committee on General Government Operations, Appropriations, and Housing	Request: 1/22/19  Fiscal Note: 1/28/19 Fiscal Note: 3/19/19 As Amended Fiscal Note: 4/9/19 As Amended	3/18/19 12:15 p.m.  As amended by the Committee on General Government Operations, Appropriations, and Housing  Supplemental Document to the Committee Report 4/23/19 10:20 a.m.

Senator Amanda L. Shelton,  
Vice Chairperson

Speaker Tina Rose Muña Barnes,  
Member

Vice Speaker Telena Cruz Nelson,  
Member

Senator Kelly Marsh (Taitano), Ph.D.,  
Member

Senator Sabina Flores Perez  
Member

Senator Clynton E. Ridgell  
Member



**COMMITTEE ON RULES**  
**SENATOR RÉGINE BISCOE LEE, CHAIR**  
*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
35<sup>TH</sup> GUAM LEGISLATURE

Senator Joe S. San Agustin,  
Member

Senator Jose T. Terlaje,  
Member

Senator Therese M. Terlaje,  
Member

Senator James C. Moylan,  
Member

Senator Mary Camacho Torres,  
Member and  
Chair, Subcommittee on Protocol

April 23, 2019

# MEMO

**To:** **Rennae Meno**  
Clerk of the Legislature

**From:** **Senator Régine Biscoe Lee**  
Chairperson, Committee on Rules

**Re:** **Supplemental Documents to the Committee Report on Bill No. 1-35 (LS) As amended**

*Buenas yan Háfa adai.*

Please include this attachment as "Supplemental" to the Committee Report on **Bill No. 1-35 (LS) As amended by the Committee on General Government Operations, Appropriations and Housing.**

Please make the appropriate indication in your records and forward to MIS for posting on our website. I also request that the same be forwarded to all Senators of *I Mina'trentai Singko na Liheslaturan Guåhan*.

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director, at 472-2461.

Thank you for your attention to this important matter.

*Si Yu'os Ma'åse',*

**Senator Régine Biscoe Lee**  
Chairperson, Committee on Rules

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## SENATOR JOE S. SAN AGUSTIN

Chairman, Committee on General Government Operations, Appropriations, and Housing  
I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

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Date April 18, 2019

**The Honorable Régine Biscoe Lee**  
Chairperson, Committee on Rules  
*I Mina' trentai Singko Na Liheslaturan Guåhan*  
163 Chalan Santo Papa  
Hågatña, Guam 9691

**Subject: Supplemental Information for Committee Report on Bill No. 1-35 (LS)  
As Amended by the Committee.**

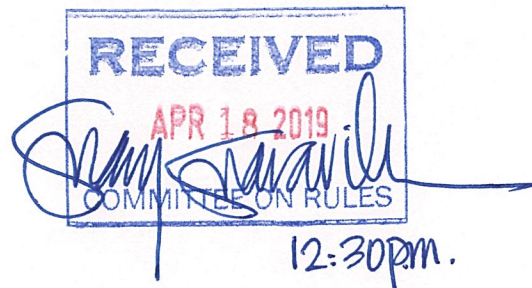
*Buenas yan Håfa Adai!*

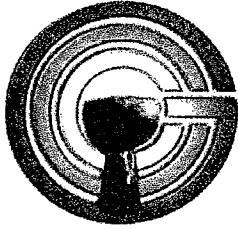
Please find appended to this letter additional testimony which the Committee on General Government Operations, Appropriations, and Housing received after the Committee Report was submitted. I respectfully request that the document be included as a supplemental to the Committee Report on Bill No. 1-35 (LS) As Amended by the Committee.

Thank you for your attention to this important matter and I look forward to your response and information.

*Si Yu'os ma'åse'!*

SENATOR, Joe S. San Agustin  
Chairman





**GUAM CHAMBER OF COMMERCE**  
PARTNERS IN PROGRESS

*April 16, 2019*

THE HONORABLE JOE S. SAN AGUSTIN  
Chair, Committee on Appropriations and Adjudication,  
General Governmental Operations, and Housing  
*I Mina' Trentai Singko Liheslaturan Guåhan*  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

**RE: Bill No. 1-35, AN ACT TO ADD A NEW § 26203.2 TO ARTICLE 2, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING LIMITED EXEMPTIONS TO SMALL BUSINESSES UNDER THE “DAVE SANTOS SMALL BUSINESS ENHANCEMENT ACT” .**

Dear Senator San Agustin,

Thank you for the opportunity to present our position on the amended Bill No. 1-35. Earlier in the year, the Guam Chamber of Commerce wholeheartedly supported the original legislation, since it provided some relief to small businesses that could use the proceeds to invest in their businesses in a variety of ways. Our organization has always been a staunch supporter of amending this program to not only increase the qualifying threshold but to increase the qualifying amount for more entities to participate in the incentive. Unfortunately, the revised legislation as written, limits the benefit to a maximum of \$1,000 a year, which, while it allows for some assistance, is not a significant savings element for small businesses attempting to build their companies in today's economic conditions.

We understand the concerns of the Guam Economic Development Authority with providing exemptions on business privilege taxes (BPT) which are pledged to the bond market. However, the reality is that such pledges have existed for years, and yet greater exemption programs continue to be provided. While we absolutely support incentives to attract large investors or industries to Guam to create economic opportunities, we should also equally consider providing decent incentive programs for island residents who want to create financial independence by starting a small business.

We respectfully ask the Guam Legislature to reconsider the original legislation which provided BPT exemptions on the first \$50,000 of income generated by a small business earning less than \$50,000 a year. This provided a savings of \$2,500 for small businesses; monies that could be used as employee incentives, increments or even technology upgrades. If this is not possible, then we suggest the legislation be amended to allow a 2-point BPT exemption on the first \$100,000 of income (while keeping the qualifying threshold on those making at least \$250,000 a year). This would provide a small business at least \$2,000 in a savings element to try and reinvest in their operations.

The Chamber of Commerce commends the Guam Legislature in its efforts of finding solutions to support small businesses to assist in their growth; however, amending the "Dave Santos Small Business Enhancement Act" does not address the concerns of rising costs of goods and services on island.

*Letter to The Honorable Joe San Agustin*

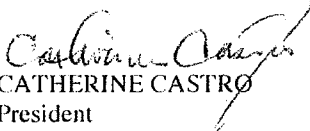
*Re: Bill No. 1-35*

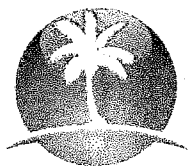
*Page 2*

It is with this conviction that our organization continues to plead with the government to reconsider the measure adopted in 2018 that increased the Business Privilege Tax from 4% to 5% indefinitely. This tax increase needs to be reversed, as this has dramatically impacted the operational expenses of businesses, who have passed over these costs to consumers. We are further concerned that with discussions of a minimum wage increase looming, that many small businesses will be gravely impacted financially. We highly encourage that any such actions be carefully thought through and not arbitrarily rushed.

In closing, the Guam Chamber of Commerce supports the revised Bill 1-35 as long as one of the two recommendations provided are included. We are open to further discussion on this legislation with you and your Committee. Thank you.

Senseramente,

  
CATHERINE CASTRO  
President



**GUAM WOMEN'S**  
CHAMBER OF COMMERCE

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**Lina Leon Guerrero**

Vice President  
**Rindraty Lintiaco**

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**Patricia Salas**  
**Dr. Annette Santos**  
**Bernie Valencia**

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April 18, 2019

Hon. Joe S. San Agustin  
Chair, Office of Finance & Budget  
35th Guam Legislature  
Ran Care Bldg., CBU 203  
761 S. Marine Corps Drive  
Tamuning, Guam 96931

Hafa Adai Sen. San Agustin and Committee Members,

The Guam Women's Chamber of Commerce (GWCC) submits this testimony in support of the revised Bill 1-35, which proposes to increase the benefit and gross income threshold of the Dave Santos Act of the Guam Code Annotated in order to spur economic growth by providing tax incentives to small business owners. GWCC is pleased that the revised bill took into consideration our previous testimony and that of other entities regarding possible violation of the Business Privilege Tax bond indenture of the government of Guam should the first rendition have been passed into law. GWCC applauds the revision, which retains the required 3% business privilege tax for businesses per the government's bond covenant, yet provides a 2% gross receipts tax break to small businesses whose gross annual income is between \$50,000 - \$250,000. The GWCC commends the bill's authors for working with GEDA and the Department of Revenue and Taxation to clarify the bill's language with regard to the parameters of the government's bond covenant.

This bill, if passed into law, will allow small businesses to reinvest their tax savings through hiring more employees and improving products and services, which will in turn contribute to Guam's overall economy. GWCC understands that if passed into law, this bill is projected to positively impact more than 600 small businesses on our island. Our organization represents 262 Guam businesses. Two thirds of our business memberships are either individual/sole proprietors or small businesses, so the positive impact of Bill 1-35 to the GWCC membership is substantial.

The GWCC is in support of measures such as the revised Bill 1-35 that provide growth incentives for small businesses on Guam. We stand ready to work with the members of the 35<sup>th</sup> Guam Legislature to have such measures passed into law, for the benefit of our members and Guam's entire business community.

Thank you for the opportunity to submit testimony with regard to the revised Bill 1-35.

Sincerely,

Jayne Flores  
Chair, Government Committee  
Guam Women's Chamber of Commerce