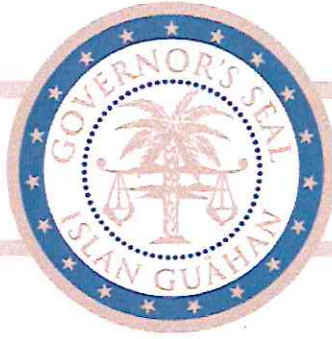


I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

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 AMEND § 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	PUBLIC LAW NO.	DATE SIGNED	NOTES	
	11/16/20	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.	12/1/20	12/1/20	12/12/20	35-119	12/11/20	Received: 12/11/20 Mess and Comm. Doc. No. 35GL-20-2501	

LOURDES A. LEON GUERRERO
MAGA'HAGA • GOVERNOR



JOSHUA F. TENORIO
SIGUNDO MAGA'IAHI • LIEUTENANT GOVERNOR

December 11, 2020

35-20-2501

HONORABLE TINA ROSE MUÑA BARNES

Speaker

I Mina'trentai Singko Na Liheslaturan Guahan

35th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Speaker Tina Rose Muña Barnes

DEC 11 2020

Time 5:25 (YES) PM
Initiated By: [Signature]

Re: Substitute Bill No. 217-35 (COR) – An Act to *Add* a New § 58104(r) to Article 1 of Chapter 58, Title 12, Guam Code Annotated, Relative to Authorizing a Qualifying Certificate for the Enticement and Potential Establishment of a Commercial Drone Industry on Guam

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

Dear Madame Speaker:

Before taking office, our Administration identified the opportunities that could be presented by developing a distribution and fulfillment center industry and encouraging the establishment of processing trade companies in Guam. Our location seems prime for satisfying orders for delivery in Asia and throughout the Pacific. The inclusion of this industry in Substitute Bill No. 217-35, as well as the commercial drone industry in Substitute Bill No. 218-35, as eligible endeavors for the Qualifying Certificate program administered by the Guam Economic Development Authority are welcome statutory changes to the provisions of Qualifying Certificate program.

///

///

///

To: Speaker Barnes
Fr: Governor of Guam
Dated: December 11, 2020
Re: Substitute Bill No. 217-35 (COR) nka P.L. 35-118
Substitute Bill No. 218-35 (COR) nka P.L. 35-119

Page 2 of 2

I want to thank Senator Moylan for this bipartisan effort to advance this Administration's goals to diversify our economy. As we have learned during this public health emergency, while tourism cannot be replaced as a significant driver of our economy, it is imperative that we expand our industry base to be less dependent on any single enterprise. Substitute Bill Nos. 217-35 and 218-35, which are now known as **Public Law Nos. 35-118 and 35-119**, will assist in this effort.

Senseramente,



LOURDES A. LEON GUERRERO

I Maga'hågan Guåhan

Governor of Guam

Enclosure: Substitute Bill No. 217-35 (COR) *nka P.L. 35-118*
Substitute Bill No. 218-35 (COR) *nka P.L. 35-119*

cc via email: *Sigundo Maga'låhen Guåhan*
Compiler of Laws

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 1st day of December 2020, duly and regularly passed.



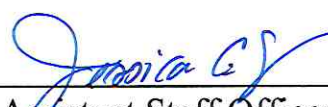
Tina Rose Muña Barnes
Speaker

Attested:




Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 1st 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: 12/1/2020

Public Law No. 35-119

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

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
Telena 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.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that with Guam’s proximity to Asia, we become an ideal destination for industries
4 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 our 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.