

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
133-35 (COR) As amended by the Committee on Environment, Revenue and Taxation, and Procurement.	James. C. Moylan	AN ACT TO AMEND § 15108 OF CHAPTER 15, TITLE 18, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE COST FOR FILING THE ARTICLES OF ORGANIZATION FOR A LIMITED LIABILITY COMPANY (LLC).	5/9/19 11:08 a.m.	6/21/19	Committee on Environment, Revenue and Taxation, and Procurement	8/7/20 11:00 a.m.	10/30/20 1:52 p.m. As amended by the Committee on Environment, Revenue and Taxation, and Procurement	Request: 6/21/19 6/26/19 8/9/19 Amended	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	VETOED	NOTES		
	11/16/20	AN ACT TO AMEND § 15108 OF CHAPTER 15, TITLE 18, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE COST FOR FILING THE ARTICLES OF ORGANIZATION FOR A LIMITED LIABILITY COMPANY (LLC).	12/1/20	12/1/20	12/12/20	12/11/20	Received: 12/11/20 Mess and Comm. Doc. No. 35GL-19-2505.		
	SESSION DATE		DATE OVERRIDDEN	TRANSMITTED	PUBLIC LAW NO.	NOTES			
12/7/20		12/17/20	12/17/20	35-123	Received: 12/22/20 Mess and Comm. Doc. No. 35GL-19-2532.				



OFFICE OF LEGAL COUNSEL

Ufisinan I Maga'hågan Guåhan
Office of the Governor of Guam

LOURDES A. LEON GUERRERO
Governor of Guam

JOSHUA F. TENORIO
Lieutenant Governor of Guam

Via Hand Delivery

December 21, 2020

HONORABLE TINA ROSE MUÑA BARNES

Speaker

I Mina'trentai Singko Na Liheslaturan Guåhan

Guam Congress Building

163 Chalan Santo Papa

Hagåtña, Guam 96910

Re: OVERRIDE of Bill No. 133-35 (COR) nka Public Law No. 35-123 – An Act to Amend § 15108 of Chapter 15, Title 18, Guam Code Annotated, Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC)

Dear Madame Speaker:

Enclosed is Bill No. 133-35 (COR) – An Act to Amend § 15108 of Chapter 15, Title 18, Guam Code Annotated, Relative to Reducing the Cost for Filing the Articles of Organization for a Limited Liability Company (LLC) which is now known as Public Law No. 35-123.

Senseramente,

SOPHIA SANTOS DIAZ

Legal Counsel

Enclosure(s): Override of Bill No. 133-35 (COR) nka P.L. No. 35-123

cc via email: *Maga'hågan Guåhan*
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 **BILL NO. 133-35 (COR)**, “AN ACT TO **AMEND** § 15108 OF CHAPTER 15, TITLE 18, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE COST FOR FILING THE ARTICLES OF ORGANIZATION FOR A LIMITED LIABILITY COMPANY (LLC),” was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 17th day of December 2020, to pass said bill notwithstanding the veto of *I Maga'hågan Guåhan* by a vote of thirteen (13) members.



Tina Rose Muña Barnes
Speaker

Attested:



Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 17th day of Dec, 2020,
at 10:29 o'clock P.m.

PO3 MA STELLY-LIZOME 797
Assistant Staff Officer
Maga'hågan's Office

Public Law No. 35-123

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

Bill No. 133-35 (COR)

As amended by the Committee on Environment,
Revenue and Taxation, and Procurement.

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
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* § 15108 OF CHAPTER 15, TITLE 18,
GUAM CODE ANNOTATED, RELATIVE TO
REDUCING THE COST FOR FILING THE ARTICLES
OF ORGANIZATION FOR A LIMITED LIABILITY
COMPANY (LLC).**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that more entrepreneurs, both locally and on a national level, are seeking a limited
4 liability company (LLC) as the type of business structure and function they desire,
5 due to the shareholders' protection from liability beyond their contribution to the
6 LLC's share capital. On a national level, the one (1)-time state filing fee for a LLC

1 ranges from Forty Dollars (\$40.00) in Kentucky to Five Hundred Dollars (\$500.00)
2 in Massachusetts, with the average fee estimated at around One Hundred Twenty-
3 seven Dollars (\$127.00); whereas, on Guam, the filing fee for Articles of
4 Organization for a LLC is One Thousand Dollars (\$1,000).

5 While the annual fees to maintain the LLC remain consistent with the national
6 level of One Hundred Dollars (\$100.00), the deterrence in establishing Guam as a
7 business-friendly environment with an unusual and costly filing fee for a preferred
8 business structure needs to be reconsidered. With recent legislation introduced on
9 Guam, such as Bill No. 104-35, to attract U.S. corporations with foreign subsidiaries
10 to repatriate their overseas earnings to Guam, along with the objective of increasing
11 third party agents, the desire for both island residents and off island entities to seek
12 Guam as their domicile for business activity may increase. Also, with concepts on
13 the table to attract other industries such as process trade, distribution centers, and
14 enhancing export trade, the need to have a business-friendly licensing policy is great.

15 It is important for Guam to compete for investment dollars and reducing the
16 cost of the filing for a LLC to a competitive level will encourage investment. The
17 proposed amount of a Two Hundred Fifty Dollar (\$250.00) filing fee may still be
18 slightly higher than many states, but it provides a reasonable balance. In terms of
19 revenue for the Department of Revenue and Taxation, while the reduced fee would
20 lessen some of its fee earnings, it would eventually create replenishment via
21 increased filings for LLC certificates, which would also result in new tax collections.
22 As with any business structure, it takes the spending of some money to make more
23 money.

24 **Section 2.** § 15108 of Chapter 15, Title 18, Guam Code Annotated, is
25 hereby *amended* to read as follows:

26 **“§ 15108. Filing of Articles of Organization.**

1 The Articles of Organization shall be delivered to the Department of
2 Revenue and Taxation. If the Director of Revenue and Taxation finds that the
3 articles of organization conform to law, he or she shall, when a fee of Two
4 Hundred Fifty Dollars (\$250.00) has been paid, file the articles of organization
5 in accordance with this Chapter. The Director of Revenue and Taxation shall
6 then issue a Certificate of Organization.”

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

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