


*I Mina'trentai Siette Na Lihelaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
118-37 (COR)	Roy A. B. Quinata	AN ACT TO ADD A NEW ARTICLE 8 TO CHAPTER 26 TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A SUGAR SWEETENED BEVERAGE TAX AND TO CREATING THE GUAM SPORTS FACILITIES FUND TO SUPPORT NEEDED IMPROVEMENTS AND MAINTENANCE OF PUBLIC SPORTS FACILITIES AND EXERCISE PROGRAMS IN GUAM.	5/15/23 10:39 a.m.						

***I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN***  
**2023 (FIRST) Regular Session**

**Bill No. 118-37 (COR)**

Introduced by:

Roy A. B. Quinata 

**AN ACT TO *ADD* A NEW ARTICLE 8 TO CHAPTER 26  
TITLE 11, GUAM CODE ANNOTATED, RELATIVE  
TO ESTABLISHING A SUGAR SWEETENED  
BEVERAGE TAX AND TO CREATING THE GUAM  
SPORTS FACILITIES FUND TO SUPPORT NEEDED  
IMPROVEMENTS AND MAINTENANCE OF PUBLIC  
SPORTS FACILITIES AND EXERCISE PROGRAMS IN  
GUAM.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 that the effects of the consumption of Sugar-Sweetened Beverages (SSB)  
4 compounded with sedentary lifestyles has had detrimental effects across our nation  
5 and our island with regard to noncommunicable diseases like obesity, diabetes, and  
6 heart disease. Young child obesity was found to be highly associated with  
7 occurrence of acanthosis nigricans, an indicator of insulin resistance, pointing to the  
8 clinical significance of obesity, even in childhood. Currently 39% of Guam's  
9 children are obese which is higher than the national average of 22%. The Centers for  
10 Disease Control reports that Guam has 24,206 adult citizens with disabilities. Of  
11 those, 40% of adults are obese, 29% are diabetic and 16% have heart disease.  
12 Guam's health infrastructure remains fragile and stretched to the limits of its

1 capacity, and many individuals have difficulty getting adequate medical care for the  
2 noncommunicable diseases that plague our island.

3 *I Liheslatura* further finds that a large population of our children are not as  
4 active during and after school to meet optimal energy expenditures that would help  
5 in combating obesity and noncommunicable diseases. Childhood obesity is caused  
6 by a number of factors including poverty. Cheaper foods tend to have no nutritional  
7 value and can be challenging to our underserved communities who may not be able  
8 to stock up on fresh food. This, coupled with the consumption of Sugar-Sweetened  
9 Beverages, and a sedentary lifestyle leads to obesity and is directly tied to  
10 noncommunicable diseases.

11 Our island schools have subpar facilities, and the sports facilities within the  
12 villages need upkeep and repair. These recreational sports facilities are instrumental  
13 in providing an opportunity for our young people to expend energy in a safe  
14 environment and to participate in sports and exercise within their communities.

15 There are many other countries and cities across the nation that have  
16 implemented a successful sweetened beverage tax. The Philippines has a SSB tax of  
17 11 US cents per liter, consumption declined 8.2% within the first month of the tax.  
18 Mexico has an SSB tax of 1 peso per liter that generated 1 billion (US dollars) in  
19 2015 while consumption changed to healthier alternatives like water. Albany,  
20 Seattle, Boulder, and Philadelphia have all implemented ordinances that tax Sugar  
21 Sweetened Beverages at 1 cent or more per fluid ounce to help fight obesity and  
22 noncommunicable diseases.

23 *I Liheslatura* finds that although any tax increase proposal is an unpopular  
24 idea, the policy solution proposed is a necessary act the island must take to better  
25 serve the community for the better. There are significant advantages to the  
26 implementation of a sweet and sugary beverage tax. The extra cost will go to support  
27 sports facilities across the island in every village and school, thereby attacking

1 obesity and noncommunicable diseases on two fronts. The first would be to curb the  
2 purchase of beverages that have added sugar or sweetener for more healthier  
3 alternatives and the second would be to provide a safe facility at schools and within  
4 the villages that would encourage people to exert energy by participating in sports  
5 and exercise.

6 A healthier island would not strain the limited medical resources we currently  
7 have combating noncommunicable diseases. It is the intent of *I Liheslatura* to  
8 discourage the consumption of Sugar Sweetened Beverages, especially by our young  
9 people, and ease the burden of government-paid healthcare costs caused by obesity  
10 and other associated noncommunicable diseases. This is ascertained by allocating  
11 the funds to help all citizens of Guam have access and opportunity to engage in  
12 sports and exercise. Therefore, the creation of a Guam Sports Facilities Fund for the  
13 use by Guam Department of Education and the Mayor’s Council to repair and  
14 improve the recreation and sports facilities across the island and institute programs  
15 that adults and children can participate in is an appropriate and effective use of  
16 revenues that will ensure sustainability over the long term. Dedicating funds to these  
17 entities for the specific purpose of improving and repairing sports and exercise  
18 facilities will have a substantial effect on the health of citizens by providing the  
19 opportunity to exert energy and directly affect preventable diseases.

20 **Section 2.** A new Article 8 is *added* to Chapter 26, Title 11, Guam Code  
21 Annotated, to read:

22 **“ARTICLE 8**

23 **Sugar-Sweetened Beverage Tax**

24 § 26801. General Provisions.

25 § 26802. Definitions.

26 § 26803. Levy.

27 § 26804. Rates.

1        § 26805.    Creation of the Guam Sports Facilities Fund.

2        § 26806.    Export Drawback.

3        § 26807.    Military Sales Drawback.

4        § 26808.    Reporting.

5        § **26801.    General Provisions.**

6        The following general provisions are restricted in application to this Article  
7 and are in addition to the general provisions of Article 1 and the rules and regulations  
8 promulgated under authority of law by the Tax Commissioner.

9            (a)    Time of attachment. The tax levied hereunder shall attach at the  
10 time the product enters the economy of Guam which shall be either:

11                  (1)    Upon the completion of the process when manufactured or  
12 produced in Guam; or

13                  (2)    At the time the article is discharged from its carrier when  
14 brought into Guam. This means from the wholesaler or distributor.

15        § **26802.    Definitions.**

16        For the purpose of this Section the following definitions of words and phrases  
17 shall govern its interpretation:

18                  (1)    Added sugar include those added to foods and beverages during  
19 processing or preparation. This includes sugars for example, table sugar as  
20 well as sugars from honey, molasses, and fruit or vegetable juices and juice  
21 concentrates, high-fructose corn syrup, malt syrup, agave syrup, and any other  
22 free sugars added to processing or preparation.

23                  (2)    Free sugars include sugars added to foods and beverages by the  
24 manufacturer, cook or consumer, as well as sugars naturally present in honey,  
25 syrups, fruit juices and fruit juice concentrates. Free sugars do not include  
26 sugars naturally occurring from milk (lactose and galactose) nor intrinsic

1 sugars (such as those sugars incorporated within the structure of intact fruits  
2 and vegetables).

3 (3) Total sugars include sugars from all sources. This includes added  
4 sugars, sugars from milk, and intrinsic sugars.

5 (4) Sugar - Sweetened Beverage (SSB) are any liquids that are  
6 sweetened with various forms of added sugars like brown sugar, corn  
7 sweetener, corn syrup, dextrose, fructose, glucose, high-fructose corn syrup,  
8 honey, lactose, malt syrup, maltose, molasses, raw sugar, and sucrose.

9 (5) Sugar Sweetened Beverage does not include any of the  
10 following: Any beverage in which milk, meaning from any animal source or  
11 butterfat content, and any plant-based product to include soy and almond  
12 “milk”, is the primary ingredient, any beverage for medical use; Any liquid  
13 covered under the Federal Orphan Drug Act. Any product commonly referred  
14 to as infant formula or baby formula; Any alcoholic beverage; Any beverage  
15 consisting of 100 percent natural fruit or vegetable juice with no added  
16 sweetener. Sweetened medication such as cough syrup, liquid pain relievers,  
17 fever reducers, and similar products.

18 **§ 26803. Levy.**

19 There is hereby levied, and shall be assessed and collected, upon every  
20 business engaged in the manufacture, production, or importation into Guam, of any  
21 Sugar or Sweetened Beverage products, in addition to all other applicable taxes, an  
22 excise tax to be measured by the application of the following rates against the Sugar  
23 or Sweetened Beverage products so manufactured, produced or brought into Guam  
24 as herein provided. Such excise tax shall also be levied upon, assessed, and collected  
25 from every business purchasing Sugar or Sweetened Beverage products in Guam for  
26 resale if no tax has been paid upon said Sugar or Sweetened Beverage products as  
27 herein provided.

1           **§ 26804. Rates.**

2           The following rates shall apply in computing, assessing, and collecting the  
3 Sugar Sweetened Beverage tax.

4           (a) A two cent (\$0.02) per ounce tax will be applied to all premixed  
5 Sweetened beverages that are manufactured or imported for sale in Guam.

6           (b) Powder products will be taxed according to the total amount of  
7 liquid product it produces. An example would be a can that has Ninety-Four  
8 (94), twelve (12) -ounce servings, based on the manufacturer label then the  
9 tax would be Twenty-Two Dollars and Fifty-Six cents (\$22.56) per can.

10           (c) A three-point five cent (\$0.035) per ounce of syrup or  
11 concentrate on all containers.

12           **§ 26805. Creation of the Guam Sports Facilities Fund.**

13           There is hereby created the Guam Sports Facilities Fund, which shall be  
14 maintained separate and apart from other funds of the government of Guam and shall  
15 not be subject to any transfer authority of *I Maga'hågan Guåhan*.

16           (a) The Guam Sports Facilities Fund may receive additional  
17 appropriations, contributions, endowments, or gifts in cash or otherwise from  
18 any source, including Guam, corporations or other businesses, individuals,  
19 and interested parties such additional monetary appropriations, contributions,  
20 endowments, gifts in cash shall be deposited into the Guam Sports Facilities  
21 Fund, subject to legislative appropriation.

22           (b) Proceeds from taxes collected under this Section shall be  
23 deposited into the Fund and shall not be commingled with the General Fund.

24           The Fund shall be subject to the following:

25                   (1) One hundred percent (100%) of the taxes collected shall  
26                   be subject to appropriation by *I Liheslaturan Guahan* for the following  
27                   purposes:

1                   (2) Where fifty percent (50%) of the taxes collected shall be  
2                   utilized for the development, repair, and maintenance of existing sports  
3                   facilities within Guam Department of Education and GDOE sports and  
4                   exercise programs.

5                   (3) Where Fifty percent (50%) of the taxes collected shall be  
6                   utilized for the development, repair, and maintenance of existing sports  
7                   facilities and implementation of youth sports and exercise programs  
8                   within the villages of Guam under the control of the village Mayors.

9                   (4) If the Guam Sports Facilities Fund is terminated, the  
10                  monies remaining in the Guam Sports Facilities Fund shall revert to the  
11                  General Fund.

12                  **§ 26806. Export Drawback.**

13                  There shall be allowed to any applicant therefore an export drawback of the  
14                  full amount of a tax paid under this Article, exclusive of penalties and interest, upon  
15                  fulfillment of the following conditions:

16                  (a) That the Sugar Sweetened Beverages manufactured or produced in  
17                  Guam or brought into Guam, has been consigned,

18                  (b) That the Sugar-sweetened beverages so exported or so delivered for  
19                  ship store use or ship's consumption, was not subject to any sale within Guam other  
20                  than a transfer involving substantially all the stock in trade, goodwill, and franchise  
21                  or other rights concerning the Sugar-sweetened beverages upon which the tax was  
22                  paid.

23                  (c) That the taxes levied hereunder have been fully paid to the government  
24                  of Guam; and duly delivered to a point outside the Island of Guam or delivered on  
25                  board a ship or vessel for ship store use or ship's consumption.

26                  (d) That the applicant is a duly licensed manufacturer, producer,  
27                  wholesaler, or retailer in Guam.



1           **§ 26807. Military Sales Drawback.**

2           There shall be allowed to any applicant therefore a drawback of the full  
3 amount of tax paid under this Article upon a satisfactory showing, within the rules  
4 and regulations promulgated by the Tax Commissioner, that:

5           (a) The Sugar-sweetened beverages manufactured or produced in  
6 Guam, or brought in the Island of Guam, has been sold, consigned, and duly  
7 delivered to, an authorized purchaser for any United States military  
8 establishment in Guam.

9           (b) The Sugar-sweetened beverages sold, consigned, and delivered  
10 to such military establishment was not the subject of any prior sales  
11 transaction in Guam other than a transfer of substantially the entire stock in  
12 trade, goodwill and franchise or other rights concerning the Sugar-sweetened  
13 beverages upon which the tax has been paid.

14           (c) The taxes levied under this Article have been fully paid to the  
15 government of Guam; and

16           (d) The applicant applying for the drawback is a duly licensed  
17 wholesaler or retailer, in Guam.

18           **§ 26808. Reporting.**

19           The appointed Executive Director of the Mayor's Council and the  
20 Superintendent of the Guam Department of Education shall submit an expenditure  
21 report on an annual basis to the speaker of *I Liheslaturan Guåhan*. All funds are  
22 subject to audit by the Public Auditor in accordance with 1 Guam Code Annotated  
23 Chapter 19 Section 1908.

24           **Section 3. Effective Date.** This Act shall be effective on January 1, 2024.

25           **Section 4. Severability.** If any provision of this Act or its application to  
26 any person or circumstance is found to be invalid or inorganic, such invalidity shall  
27 not affect other provisions or applications of this Act that can be given effect without

- 1 the invalid provision or application, and to this end the provisions of this Act are
- 2 severable.