

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
168-37 (COR)	Dwayne T.D. San Nicolas	AN ACT TO ADD A NEW § 70117.1 TO CHAPTER 70, DIVISION 3, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GUAM DEPARTMENT OF REVENUE AND TAXATION (DRT) TO ISSUE CONDITIONAL BUSINESS LICENSES.	9/15/23 11:00 a.m.						

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

Bill No. 168-37 (COR)

Introduced by:

Dwayne T. D. San Nicolás 

**AN ACT TO ADD A NEW § 70117.1 TO CHAPTER 70,
DIVISION 3, TITLE 11, GUAM CODE ANNOTATED,
RELATIVE TO AUTHORIZING THE GUAM
DEPARTMENT OF REVENUE AND TAXATION (DRT) TO
ISSUE CONDITIONAL BUSINESS LICENSES.**

BE IT ENACTED BY THE PEOPLE OF GUAM.

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that
the process of obtaining a business license in Guam is tedious, restrictive, and
detracting to applicants in that, it often requires a substantial amount of time to obtain
the various permits and requirements necessary for a Guam business license.
Depending on the type of business, applicants for Guam business license will need
to go through several Government of Guam agencies to obtain permits such as
Clearing/Grading and Building Construction Permit from the Department of Public
Works, Conditional Use Permit from the Guam Land Use Commission, Sanitary
Permit from the Department of Public Health and Social Services, or Activities,
Materials, and Use Permit from the Guam Fire Department. Each required permit
mandates an inspection process before the permit is provided, which takes up
valuable time. Delays in procuring these permits and requirements drastically impact
and slow down the process of obtaining a business license to the point that some

1 businesses are forced to cease operations or prevent newly-established businesses
2 from opening their doors to serve our island, hindering the growth of our economy.

3 *I Liheslaturan Guåhan* also finds that allowing businesses to operate under a
4 conditional license will create more revenue for our government and encourage the
5 growth of businesses in our island. With this Act, The Department of Revenue and
6 Taxation will process conditional business licenses as it would other licenses, putting
7 a reasonable fee on it and gaining a new revenue source for the agency. Many
8 businesses will surely take advantage of the additional time frame provided by the
9 conditional license to process all their needed permits and licenses, and the other
10 agencies processing the required permits and licenses for the business license will
11 also be given more time to assess and scrutinize the applicants. A conditional
12 business license will also encourage more enterprising individuals to pursue their
13 business aspirations by providing them leeway and flexibility to apply for the
14 necessary permits and licenses for a business license. One of the major and daunting
15 hurdles of starting a business is the process of applying for the necessary permits for
16 a business license, a hurdle that can easily be remedied by providing conditional
17 licenses. With the leeway provided by a conditional license, business-aspirants will
18 not be dissuaded and discouraged if they fail to meet the standards, as they will have
19 the time to address them properly. A conditional business license also prevents the
20 adverse effects of failing to meet the requirements for a business license on
21 businesses, namely their shutting down. Allowing businesses to operate while they
22 process the needed permits for their business license will prevent them from losing
23 income and going under due to failure to meet their financial obligations.
24 Conditional business licenses are both beneficial to the business sector of our island
25 and our government.

26 Because of these reasons, *I Liheslaturan Guåhan* intends to authorize the
27 Department of Revenue and Taxation to issue conditional business licenses to

1 qualifying businesses. This legislation will not only benefit the business sector of
2 the island by providing them flexibility in adhering to the requirements of a business
3 license, but also our government by creating a new avenue for revenue.

4 **Section 2.** A new § 70117.1 *shall* be added to Chapter 70, Division 3, Title 11,
5 Guam Code Annotated, to read as follows:

6 **“§ 70117.1. Conditional Business License.**

7 Notwithstanding any other provision of law:

8 (a) Any business owner may apply for a conditional business license
9 if he or she has failed to meet all requirements for a business license. The
10 Director of the Department of Revenue and Taxation shall assess every
11 application for a conditional business license and may approve and issue
12 conditional business licenses with the consent of the License Board. The
13 conditional business license shall allow the licensee to operate his or her
14 business that is without a Guam business license or a renewed Guam business
15 license for a period of one (1) year, during which time, the licensee shall
16 complete all requirements to obtain a business license. Failure to obtain a
17 Guam business license within the duration of the conditional license shall
18 result in penalties listed under § 70117(b) of this Chapter.

19 (b) Conditional business licenses shall expire one (1) year after the
20 date of issuance and shall not be renewable unless the applicant obtains a
21 Guam business license or a renewed Guam business license.

22 (c) Conditional business licenses shall only be applicable to one (1)
23 business with an expired Guam business license or one (1) business without a
24 business license; applicants shall apply for a conditional business license for
25 every business or expired Guam business license.

26 (d) Fees charged for a conditional business license shall not be lower
27 than the fee charged for a Guam business license.”

1 **Section 4. Effective Date.** This Act shall become effective upon enactment.

2 **Section 5. Severability.** *If* any of the provisions of this Act or the application
3 thereof to any person or circumstance is held invalid, such invalidity *shall not* affect
4 any other provision or application of this Act which can be given effect without the
5 invalid provision or application, and to this end the provisions of this Act are
6 severable.