

I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

| BILL NO. | SPONSOR | TITLE | DATE INTRODUCED | DATE REFERRED | CMTE REFERRED | FISCAL NOTES | PUBLIC HEARING DATE | DATE COMMITTEE REPORT FILED | NOTES |
|-------------|--|--|-----------------------|---------------|--|----------------------------------|---------------------|-----------------------------|-------|
| 195-37 (LS) | Sabina Flores Perez Therese M. Terlaje Chris Barnett | AN ACT TO ADD § 6101 (m) AND § 6101 (n) TO ARTICLE 1, § 6408 AND § 6409 TO ARTICLE 4, ALL OF CHAPTER 6, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REGULATING TOBACCO AND NICOTINE ADVERTISEMENTS. | 10/25/23 4:31 p.m. | 10/27/23 | Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning | Request: 10/27/23 11/6/23 | | | |



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

November 6, 2023

To: **Joaquin P. Taitague**
Substitute Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 195-37 (LS)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 195-37 (LS).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 195-37 (LS)**

AN ACT TO ADD § 6101 (m) AND § 6101 (n) TO ARTICLE 1, § 6408 AND § 6409 TO ARTICLE 4, ALL OF CHAPTER 6, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REGULATING TOBACCO AND NICOTINE ADVERTISEMENTS.

Department/Agency Appropriation Information

| | |
|--|--|
| Dept./Agency Affected: Department of Revenue and Taxation (DRT) | Dept./Agency Head: Dafne Mansapit-Shimizu, Director |
| Department's General Fund (GF) appropriation(s) to date: | \$14,532,027 |
| Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund (\$395,271); Better Public Service Fund (\$1,315,540); Tax Collection Enhancement Fund (\$1,046,640) | <u>\$2,757,451</u> |
| Total Department/Agency Appropriation(s) to date: | \$17,289,478 |

Fund Source Information of Proposed Appropriation

| | General Fund: | Special Fund: | Total: |
|--|---------------|---------------|--------|
| FY 2023 Unreserved Fund Balance | \$0 | \$0 | \$0 |
| FY 2024 Adopted Revenues | \$0 | \$0 | \$0 |
| FY 2024 Appro. (P.L. 37-42) | \$0 | \$0 | \$0 |
| Sub-total: | \$0 | \$0 | \$0 |
| Less appropriation in Bill | \$0 | \$0 | \$0 |
| Total: | \$0 | \$0 | \$0 |

Estimated Fiscal Impact of Bill

| | One Full Fiscal Year | For Remainder of FY 2024 (if applicable) | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------|----------------------|--|---------|---------|---------|---------|
| General Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | 1/ | \$0 | \$0 | \$0 | \$0 | \$0 |

- Does the bill contain "revenue generating" provisions? /X/ Yes // No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A // Yes // No
If no, what is the additional amount required? \$ _____ /X/ N/A
- Does the Bill establish a new program/agency? // Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A // Yes // No
Is there a federal mandate to establish the program/agency? // Yes /X/ No
- Will the enactment of this Bill require new physical facilities? // Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? /X/ Yes // No
If no, indicate reason: _____ // Other
/X/ Requested agency comments not received by due date: DRT

Analyst: Raymond Rieta, BMA III **Date:** 11/3/23 **Director:** Lester L. Carlson, Jr., Director **Date:** NOV 03 2023

Notes:
1/ See Additional Comments.

Bureau of Budget & Management Research
Comments on Bill No. 195-37 (LS)

Bill No. 195-37 proposes to add § 6101 (m) and § 6101 (n) to Article 1 and add § 6408 and 6409 to Article 6, Title 11, Guam Code Annotated (GCA) relative to regulating tobacco and nicotine advertisements. The intention of the Bill is to establish certain restrictions around tobacco and nicotine advertisements, promotions, and sponsorships.

Additions to the existing law include the following:

- § 6101 (m) – Defines *Nicotine Replacement Therapy Products* as nicotine patches, gum, lozenges, and prescription medication approved by the U.S. Food and Drug Administration for the purpose of tobacco/nicotine cessation.
- § 6101 (n) – Defines *Point-of-Sale* as a physical place within a retail establishment where a transaction is made between the establishment and the customer for goods or services.
- § 6408 – Outlines restrictions of Tobacco and E-Cigarette Advertisements
- § 6409 – Implements fines for violations of § 6408. First violation includes a fine of \$2,000 with license suspended for 90 days. Second violation includes a fine of \$5,000 with license suspended for 180 days. Three or more violations includes a fine of \$10,000 with license revocation and ineligibility to apply for new license for 2 years.

As per § 6505, all fines and fees assessed and collected under Chapter 6 shall be distributed and deposited in the following manner: 30% to the Department of Parks and Recreation Off-Island Sports Fund; 20% to the Health and Human Services Fund; and 50% to the Youth Tobacco Education and Prevention Fund (YTEPF). Furthermore, § 6506 states that 100% of the funds in the YTEPF shall be used by the GBHWC for youth compliance monitoring and tobacco and drug prevention and education programs. Nevertheless, absent information from the Department of Revenue and Taxation (DRT) relative to current fines and penalties assessed for violations of tobacco and nicotine advertisements, as well as information relative to the YTEPF, the Bureau is unable to ascertain the fiscal impact of the imposed fines and penalties as proposed in this legislation.