

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
229-37 (COR)	Thomas J. Fisher	AN ACT TO ADD A NEW SECTION TO TITLE 11, CHAPTER 6 OF GUAM CODE ANNOTATED PROHIBITING THE SALE OF FLAVORED TOBACCO PRODUCTS WITHIN THE TERRITORY OF GUAM.	1/5/24 11:28 a.m.	1/5/24	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 1/5/24 1/12/24			



COMMITTEE ON RULES

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

January 12, 2024

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

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

Subject: **Fiscal Note for Bill No. 229-37 (COR)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 229-37 (COR).

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. 229-37 (COR)**

AN ACT TO ADD A NEW SECTION TO TITLE 11, CHAPTER 6 OF GUAM CODE ANNOTATED PROHIBITING THE SALE OF FLAVORED TOBACCO PRODUCTS WITHIN THE TERRITORY OF GUAM.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Lizama, Marie P, Acting 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)	\$2,757,451
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

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|---|-------------------------|----------|--------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | | // Yes | /X/ No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ | /X/ N/A | // Yes | // No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | /X/ N/A | // Yes | /X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | | // Yes | /X/ No |
| 5. Was Fiscal Note coordinated with the affected dept/agency?
/X/ Requested agency comments not received by due date: DRT | If no, indicate reason: | /X/ Yes | // No |
| | | // Other | |

Analyst: <u>Raymond Rieta</u> Raymond Rieta, BMA III	Date: <u>1/11/24</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>JAN 12 2024</u>
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Notes:
1/ See Additional Comments.

Bureau of Budget & Management Research
Comments on Bill No. 229-37 (COR)

Bill No. 229-37 proposes to amend Title 11, Chapter 6 of the Guam Code Annotated (GCA) by adding a new section to prohibit the sale of flavored tobacco products (i.e., e-cigarettes, vaping) within the territory of Guam and prohibit the mislabeling of products as nicotine-free. The Bill further proposes to impose fines not to exceed \$500 for first time violations of the new section as well as fines of not less than \$500 nor more than \$2,000 for subsequent violations.

Taxes collected for cigarettes, cigars, and other tobacco related products generate revenue which is then deposited into the Healthy Futures Fund (HFF). Based on the revenue categories in the AS400 financial system, it is unclear whether flavored tobacco products (i.e., e-cigarettes, and vaping) are taxed in the same manner as cigarettes, cigars, and other tobacco related products. Utilizing information from prior fiscal years to obtain data from overall revenues generated for the HFF for the past five fiscal years, the Bureau notes that the average collections from FY19 through FY23 is estimated at \$36.4M. However, absent information from the Department of Revenue and Taxation (DRT) relative to tax collections specifically from flavored tobacco and tobacco related products, the Bureau is unable to ascertain the fiscal impact of this proposed legislation.