

*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
338-37 (COR)	Therese M. Terlaje Sabina Flores Perez Felo T. Taitague Joanne M. Brown Chris Barnett Jesse A. Lujan	AN ACT TO AMEND §3207 AND ADD A NEW §3229.1 TO ARTICLE 2, CHAPTER 3, TITLE 11 GUAM CODE ANNOTATED RELATIVE TO ADDING A NEW INSTRUCTIONAL TASTING LICENSE	8/9/24 4:10 p.m.	8/13/24 2:48 p.m.	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	Request: 8/13/24  8/21/24			



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature

August 21, 2024

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

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

**Subject:** **Fiscal Note for Bill No. 338-37 (COR)**

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*Håfa Adai yan Biba Guåhan!*

Find the attached, Fiscal Note for the following bill:

**Bill No. 338-37 (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. 338-37 (COR)**

AN ACT TO AMEND §3207 AND ADD A NEW §3229.1 TO ARTICLE 2, CHAPTER 3, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO ADDING A NEW INSTRUCTIONAL TASTING LICENSE.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Lizama, Marie P, 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>
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$17,289,478</b>

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
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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
<b>Total</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- 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: <u>Raymond Rieta</u> Raymond Rieta, BMA IV	Date: <u>8/27/24</u>	Director: <u>Lester L. Carlson, Jr.</u> Lester L. Carlson, Jr., Director	Date: <u>AUG 21 2024</u>
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Notes:  
^ See Additional Comments.

**Bureau of Budget & Management Research**  
**Comments on Bill No. 338-37 (COR)**

Bill No. 338-37 has been introduced to create a new Instructional Tasting License which would authorize the selling of alcohol to customers for consumption off premises while still allowing the tasting of the alcohol before they purchase it. The intent of the Bill is to enable businesses to offer educational tastings of alcohol and subsequent sales in a retail setting as well as allow businesses to host tasting events for educational purposes.

The Bill amends §3027, Article 2, Chapter 3, Title 11, Guam Code Annotated by adding a new “Class 14. Instructional Tasting License” with an annual fee of \$200.00 per year including the Alcohol Employee fee of \$60.00 per 3 years. The Bill further adds a new §3229.1 outlining the specific guidelines of the Instructional Tasting License with oversight by the Alcoholic Beverage Control (ABC) Board.

Current ABC license fees collected are deposited into the Alcoholic Beverage Compliance Fees and Fines Fund and are automatically or continually appropriated to the Department of Revenue and Taxation (DRT) for its authorized use. Based on information obtained from the AS400 Financial Management System of revenues generated for the Alcoholic Beverage Compliance Fees and Fines Fund for the past five fiscal years, the Bureau notes that the average collections from FY19 through FY23 is estimated at \$43,405, reference table below:

<b>Alcoholic Beverage Compliance Fees and Fines Funds</b>					
<b>Actual Collections per Fiscal Year (Dollars)</b>					
<b>FY23</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	<b>FY19</b>	<b>Average</b>
<b>\$63,525</b>	<b>\$60,450</b>	<b>\$39,670</b>	<b>\$45,610</b>	<b>\$7,770</b>	<b>\$43,405</b>

However, absent information from the DRT relative to the potential revenues from fees specific to the Instructional Tasting License as well as any personnel or operational costs to the department for enforcement of the new license fees, the Bureau is unable to ascertain the fiscal impact of Bill No. 338-37.