

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (Second) Regular Session

Bill No. 334-22 (COR)

Introduced by:

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**AN ACT TO ADD A NEW SUBSECTION (E) TO
§70105 OF CHAPTER 70 OF TITLE 11 GUAM
CODE ANNOTATED RELATIVE TO THE
DEPARTMENT OF REVENUE AND TAXATION
INCLUDING FIELDS ON THE BUSINESS
LISCENSE APPLICATION AND RENEWAL
FORMS IDENTIFYING THE GENDER,
ETHNICITY, VETERAN STATUS, AND NORTH
AMERICAN INDUSTRY CLASSIFICATION
SYSTEM CODE NUMBER OF BUSINESS
OWNERS.**

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

2 **Section 1. Legislative Findings and Intent.**

3 The Guam Women’s Chamber of Commerce has expressed that there is a
4 need for the Government of Guam to grant procurement preference to small, women-
5 owned businesses applying for Government of Guam contracts. However, government
6 agencies and business interest groups do not collect demographic data from business
7 owners, thus it has been difficult to quantify this need.

8 § 72101of Chapter 72, Title 11 of the Guam Code Annotated states, “every
9 person engaged in or carrying on a business in Guam for the sale or manufacture of
10 any tangible property whatsoever shall be required annually to obtain a commercial

1 license.” This provides a viable avenue for capturing data on local business owners,
2 who must apply for and renew their business licenses annually at the Department of
3 Revenue and Taxation. Collecting demographic data through the licensing process
4 will help the Government of Guam identify the types of business owners in our
5 community and assess the need for procurement preferences for particular groups of
6 business owners.

7 A local procurement preference currently exists for service-disabled veterans.
8 In §5011 and §5012 of Chapter 5, Title 5 of the Guam Code Annotated, it states that
9 businesses that are at least 51 percent owned by service-disabled veterans are given a
10 preference in the procurement process for professional services to the Government of
11 Guam, or any entity expending government funds. While this was a positive step
12 toward assisting unique groups of small businesses, there has been no tracking
13 mechanism to determine the success of the preference. Without the data reflecting
14 how many local businesses are owned by service-disabled veterans, it is hard to assess
15 what percentage of this group is providing services to the government, if at all. Thus,
16 before providing future preferences to other groups of small businesses, it is essential
17 to track how many of these businesses exist.

18 Another incentive for collecting demographic data from business owners is to
19 be able to identify businesses that may qualify for preferences in contracts from the
20 Federal Government. The Federal Government has a statutory goal of awarding 23
21 percent of its prime contracts to small businesses, 5 percent of prime and subcontracts
22 to women-owned small businesses, 5 percent of prime and subcontracts to small
23 disadvantaged businesses, 3 percent of prime and subcontracts to service-disabled
24 veteran-owned small businesses, and 3 percent of prime and subcontracts to
25 HUBZone certified small businesses.

1 Also, some Federal grants require that a percentage of the grant funding be
2 given to women-owned businesses for their services. However, it has been difficult for
3 Government of Guam agencies that receive Federal grants to find such businesses
4 without any data reflecting which of the island's businesses are women-owned.

5 Finally, another important item that needs to be tracked is the North American
6 Industry Classification System (NAICS) code number, which is used by Federal
7 statistical agencies in classifying business establishments for the purpose of collecting,
8 analyzing, and publishing statistical data related to the business economy.

9 **Section 2. A new subsection (e) is hereby added to §70105 of Chapter 70 of**
10 **Title 11 Guam Code Annotated to read as follows:**

11 (e) The Business License Application form and Business License renewal card
12 shall include fields that collect the following data from business owners applying for
13 or renewing a business license:

- 14 1. Gender
- 15 2. Ethnicity
- 16 3. Veteran Status: Service-disabled or Non Service-disabled
- 17 4. North American Industry Classification System (NAICS) primary
18 industry code number

19 The Licensing Division shall compile this data and present a quarterly report to the
20 Bureau of Statistics and Plans.