


I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN  
2013 (FIRST) Regular Session

Bill No. 148-32 (COR)

Introduced by:

Michael F.Q. San Nicolas 

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AN ACT TO ESTABLISH A PERMANENT FUNDING SOURCE FOR PAYING FINANCIAL INSTITUTIONS TO PROVIDE MERCHANT SERVICES FOR THE GOVERNMENT OF GUAM, BY AMENDING SUBSECTION (a) OF §22436, ARTICLE 4, CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED.

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1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act *shall* be referred to as the  
3 “Responsible Merchant Services Payment Act”.

4 Section 2. Legislative Findings and Intent. *I Liheslaturan Guåhan*  
5 finds that Public Law 29-113 established the two percent (2%) General  
6 Fund reserve to eliminate the General Fund deficit, pay refunds, earned  
7 income tax credits and prior years’ vendor payables.

8 *I Liheslatura* further finds that Governor Eddie Calvo announced that  
9 the General Fund deficit had been eliminated on his third state of the island  
10 address, on February 11, 2013. In more recent statements, Governor Calvo  
11 has said that the government of Guam is in the process of paying all tax

1 refunds, including amounts owed for the payment of the Earned Income  
2 Tax Credit (EITC), and is now up to date on vendor payables.

3 Additionally, *I Liheslatura* finds that providing a permanent funding  
4 source for merchant services will result in increased use of online  
5 transactions, reduce returned checks, and improve efficiency with  
6 automated processes. This will free resources at the affected agencies to  
7 focus on their core missions and improving customer service.

8 It is therefore the intent of *I Liheslaturan Guåhan* to reprogram the 2%  
9 General Fund reserve to assure that merchant services are available to  
10 members of the community who wish to utilize electronic transactions to  
11 remit payments to the government of Guam for the payment of taxes and  
12 fees.

13 **Section 3. Payment for Merchant Services.** Subsection (a) of §22436,  
14 Article 4, Chapter 22, Title 5, Guam Code Annotated, is hereby *amended*, to  
15 read:

16 ~~“(a) Beginning in Fiscal Year 2010, *I Liheslatura* (the Legislature) shall~~  
17 ~~not appropriate more than ninety-eight percent (98%) of the total revenues~~  
18 ~~projected for the General Fund for the fiscal year. The remaining two~~  
19 ~~percent (2%) of all revenue to the credit of the General Fund shall be~~  
20 ~~appropriated for the payment of merchant services procured for the~~  
21 ~~acceptance of fees and taxes for line agencies of the government of Guam.~~  
22 ~~until such time as the General Fund deficit is eliminated. All remaining~~  
23 ~~unappropriated annual General Fund revenues collected in excess of~~

1 appropriations *shall* be used to liquidate obligations for refunds, earned  
2 income tax credits and prior years' 'vendor payables.'"

3 **Section 4. Charging Customers for Merchant Services.**

4 Notwithstanding any other provision of public law, rule, regulation, or any  
5 administrative or executive order to the contrary, line agencies of the  
6 government of Guam, within thirty (30) days of the enactment of this Act,  
7 *shall* not charge taxpayers any fee or surcharge to recover costs for  
8 merchant services incurred by the respective agency.