

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
351-35 (COR)	James C. Moylan	AN ACT TO ADD ARTICLE 14 TO DIVISION 1, CHAPTER 1 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A <i>BUSINESS ECONOMIC SUPPORT PROGRAM</i> TO ASSIST THOSE MICRO BUSINESSES WHOSE OPERATIONS WERE CLOSED DUE TO THE GOVERNORS EXECUTIVE ORDER 2020-05, DUE TO THE COVID-19 PANDEMIC.	4/30/20 12:35 p.m.						

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

Bill No. 351-35 (COR)

Introduced by:

James C. Moylan 

**AN ACT TO *ADD* ARTICLE 14 TO DIVISION 1,
CHAPTER 1 OF TITLE 5, GUAM CODE ANNOTATED,
RELATIVE TO ESTABLISHING A *BUSINESS
ECONOMIC SUPPORT PROGRAM* TO ASSIST THOSE
MICRO BUSINESSES WHOSE OPERATIONS WERE
CLOSED DUE TO THE GOVERNORS EXECUTIVE
ORDER 2020-05, DUE TO THE COVID-19 PANDEMIC.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that the
3 COVID-19 pandemic has created a global public health and economic crisis. Even
4 prior to the declaration of a State of Public Health Emergency, the island of Guam
5 was experiencing dwindling tourism figures, a decline in private sector revenue and
6 an increase in furlough's and/or unemployment numbers. Since the declaration was
7 made by Governor Lourdes A. Leon Guerrero on March 16, 2020, the economy took
8 a greater hit, resulting in projections that unemployment could impact as many as
9 20,000 island residents at some point, and hundreds of businesses would have to shut
10 down, some temporarily and others permanently.

11 The federal Coronavirus Aid, Relief, and Economic Security Act (CARES
12 Act) has provided millions of dollars in relief funds for Guam, including monies that
13 the government can use to manage the pandemic, an economic stimulus program for

1 island residents, a Pandemic Unemployment Assistance plan for those whose jobs
2 were adversely impacted during this crisis, and a Payment Protection Program (PPP)
3 administered by the Small Business Administration for businesses to avail.
4 Unfortunately the funding limits of the PPP program reached its capacity within
5 days, and the second phase of the plan is also about to reach its maximum funding
6 availability, which many small business entities may not be able to avail.

7 It is paramount that the local government provide some relief for micro
8 businesses on Guam who have had to close their operations since March 20, 2020.
9 These are entities which may have had operational expenditures to address, stocks
10 that were met with spoilage, employees on payroll, or family run operations that
11 relied on the business for survival. The list of potential entities would be farmers,
12 coffee shops, professionals, realtors, restaurants, and so many other industries
13 throughout the island.

14 The CARES Act provided the Government of Guam \$117 million to address
15 necessary expenditures incurred due to the public health emergency. Likewise while
16 the language in the Act stipulates the specifics in what the monies can be expended
17 on, it also states that the monies can be used for economic support to those suffering
18 from employment or business interruptions due to COVID-19 related business
19 closures. Because hundreds of small businesses have been impacted due to the
20 Governor's Executive Order 2020-05, which required non-essential entities to remain
21 closed, it is only fitting that an interim program be created to provide these
22 individuals with some Economic Support.

23 While ideally the payment of tax refunds would provide a greater spectrum of
24 support and economic infusion for the community, unfortunately it is not qualified
25 as an approved expenditure from the monies received from the CARES Act. Thus
26 by providing onetime cash payments of \$2,000 or up to \$10,000 to micro businesses,
27 an individual can address their entities' critical needs until the opportunity to open up

1 their operations arises. While the amount may not be substantial, it would provide
2 some cushion, which would also assist in infusing monies into our economy.

3 **Section 2.** A new Article 14 is hereby *added* to Division 1, Chapter 1 of Title
4 5, Guam Code Annotated to read as follows:

5 **“ARTICLE 14**

6 **BUSINESS ECONOMIC SUPPORT FUND**

7 **§ 14101. Fund Structure and Administration.**

8 (a) There is hereby established the *Business Economic Support Fund*
9 (hereinafter *shall be* referred to as the Fund).

10 (b) The purpose of the Fund is to receive deposits pursuant to § 14101(d) of
11 this Article to pay for the program pursuant to § 14101(c) of this Article.

12 (c) *I Maga'Hagan Guåhan* in coordination with the Department of
13 Administration (hereinafter *shall be* referred to as DOA) and the Guam Economic
14 Development Authority (hereinafter *shall be* referred to as GEDA) *shall* establish
15 the *Business Economic Support Program* (hereinafter *shall be* referred to as the
16 Program), which *shall be* administered as follows:

17 (1) All eligible businesses pursuant to § 14101(c)(2) of this Article shall
18 receive an unconditional cash payment pursuant to the rules and regulations
19 adopted in § 14101(c)(4) of this Article, and this shall be a onetime payment.

20 (2) For the purposes of this Article, the term "eligible business"
21 *shall* mean any licensed micro business whose industry was considered non-
22 essential pursuant to the Governor's Executive Order 2020-05, dated March
23 19, 2020, and/or has not been in operations for at least thirty (30) consecutive
24 days starting on March 20, 2020, and did not attain the Small Business
25 Administration's *Paycheck Protection Program*. For the purposes of this
26 Article, a micro business *shall be* defined as a licensed business with no more
27 than ten (10) employees inclusive of the business owner(s). The business

1 shall have been in operations for at least six (6) months prior to March 20,
2 2020. Restaurants shall be included as an eligible business pursuant to §
3 14101(c)(2).

4 (3) GEDA shall establish an online application or registry within five
5 (5) days of the enactment of this act, for eligible businesses to apply. No
6 online applications or registry for this program shall be accepted after May
7 31, 2020.

8 (4) I Maga'Hagan Guåhan in coordination with GEDA and DOA,
9 shall establish the rules for the administration of the Program, no more than
10 ten (10) days after the enactment of this Act, inclusive of a monetary tier of
11 the Business Economic Support Cash Payment. The lowest denominator
12 of the payout shall be no lower than two thousand dollars (\$2,000) and no
13 higher than ten thousand dollars (\$10,000). The adopted Program shall not
14 require any approval from I Liheslaturan Guåhan for further action, however
15 a report on the adopted Program shall be submitted to the Speaker of I
16 Liheslaturan Guåhan no more than five (5) days after adoption.

17 (d) I Maga'Hagan Guåhan is hereby authorized to transfer no more than
18 twenty million dollars (\$20,000,000) from the funds received pursuant to U.S. Public
19 Law 116-136, the Coronavirus Aid, Relief, and Economic Security Act (hereinafter
20 referred to as the CARES Act), relative to direct federal assistance to the government
21 of Guam, to address the necessary expenditures incurred due to the public health
22 emergency resulting from the coronavirus pandemic, and shall deposit these funds
23 to the Fund pursuant to § 14101(a) of this Article. If additional funds are required,
24 then I Maga'Hagan Guåhan shall request the approval from I Liheslaturan Guåhan.
25 No funds from the Economic Stimulus Program pursuant to the CARES Act shall
26 be used for this Program.

1 (e) The Department of Administration and the Bureau of Budget Management
2 Research shall submit a report to I Liheslaturan Guåhan and I Maga'Hagan Guåhan
3 on June 10, 2020 on the status of the Fund pursuant to this Article, including the
4 total sum of the payout, a list of the beneficiaries of the program and the amount of
5 their cash payment.

6 (f) The Fund pursuant to this Article shall be exempt from the Governor's
7 transfer authority, and any funds remaining in the program pursuant to § 14101(c)
8 shall be transferred to the General Fund or a Special Fund upon the approval of I
9 Liheslaturan Guåhan.

10 (g) This Act shall sunset on May 31, 2020.

11 (h) Notwithstanding any other provisions of the law, rule, regulation, or
12 executive order, nothing in this Act shall be interpreted, applied, or construed, to
13 affect the provisions of the Pandemic Unemployment Assistance, pursuant to U.S.
14 Public Law 116-136, the Coronavirus Aid, Relief, and Economic Security Act, for
15 payment to covered individuals, or be considered an extended benefit under federal
16 or local law.”

17 **Section 3. Severability.** If any provision of this Act or its application to any
18 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
19 *not* affect other provisions or applications of this Act that can be given effect without
20 the invalid provision or application, and to this end the provisions of this Act are
21 severable.

22 **Section 4. Effective Date.** The act *shall* become effective immediately upon
23 enactment, and *shall* sunset on May 31, 2020.