

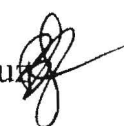
***MINA' TRENTA NA LIHESLATURAN GUÅHAN***  
2009 (FIRST) Regular Session

2009 JUN 15 AM 10:22  
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Bill No. 150 *(cov)*

Introduced by:

B.J.F. Cruz



**AN ACT TO AMEND §26603 (a), (b), AND (c) OF ARTICLE 6,  
CHAPTER 26, TITLE 11 RELATIVE TO INCREASING THE  
TOBACCO TAX.**

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

**Section 1. Legislative Findings and Intent. *I Liheslaturan***

*Guåhan* finds that studies in medical journals continuously disclose the harmful effects of smoking. Smoking harms virtually every organ in the body and reduces a person's overall health. It causes cancers of the lung, esophagus, larynx, mouth, throat, kidney, bladder, pancreas, stomach, and cervix, as well as acute myeloid leukemia. Smoking is a leading cause of cancer and of death from cancer. Smoking also causes heart disease, stroke, chronic bronchitis, emphysema, hip fractures, and cataracts. A pregnant smoker is at higher risk of having her baby born too early and with an abnormally low weight. A woman who smokes during or after pregnancy increases her infant's risk of death from Sudden Infant Death Syndrome. *I Liheslaturan Guåhan* finds that daily more than 3,500 children in the United States try their first cigarette; and daily 1,000 children less than 18 years of age become daily smokers. Twenty percent of all high school students (9-

12 grades) are current smokers, including 18.7 percent of females and 21.3 percent of males. Almost 90 percent of adult smokers began at or before age 18. *I Liheslaturan Guåhan* finds that cigarette smoking and exposure to tobacco smoke cause an estimated average of 438,000 premature deaths each year in the United States. Of these premature deaths, about 40 percent are from cancer, 35 percent are from heart disease and stroke, and 25 percent are from lung disease. Smoking is the leading cause of premature, preventable death in this country. *I Liheslaturan Guåhan* further finds that according to the Department of Mental Health and Substance Abuse, “our island has the HIGHEST RATE of adult tobacco use among all the U.S. States and Territories, at least one person on Guam dies from tobacco use, over 60% of cancers on Guam are due to tobacco, and 66% of Guam’s students are exposed to second hand smoke.” Therefore, *I Liheslaturan Guåhan* finds it is appropriate to increase Guam’s Tobacco Tax to quell the near epidemic usage of tobacco. All of the money from the increase in tobacco taxes will continue to go to the Healthy Futures Fund.

**Section 2.** § 26603. of Article 6, Chapter 26, of Title 11, Guam Code Annotated is hereby *amended* to read:

**“§ 26603. Rates.**

The following rates shall apply in computing, assessing and collecting Tobacco Tax:

(a) Cigarettes. A tax at the rate of ~~Five Dollars (\$5.00)~~ Seven Dollars and Fifty Cents (\$7.50) per one hundred (100) cigarettes to be prorated in accordance with the number of cigarettes contained in the individual package taxed.

(b) Cigars. The tax rates for cigars shall be based on the following sizes:

1. Mini Cigars: ~~Twenty Cents (\$0.20)~~ Thirty Cents (\$0.30) Per Cigar. Mini Cigars are defined as cigars with a ring size of forty (40) or less, or a length of less than four and one-half inches (4.5"), regardless of ring size as specified by the manufacturer's label.

2. Standard Cigars: ~~Twenty-Two Cents (\$0.22)~~ Thirty-Three Cents (\$0.33) Per Cigar. Standard Cigars are defined as cigars with a ring size of more than forty (40), but less than sixty-four (64) as specified by the manufacturer's label.

3. Large Cigars: ~~Twenty-Five Cents (\$0.25)~~ Thirty-Seven Cents (\$0.37) Per Cigar. Large Cigars are defined as cigars with a ring size of more than sixty-four (64), or a length of more than eight inches (8"), regardless of the ring size as specified by the manufacturer's label.

4. Where no ring size or length is specified by the manufacturer's label, the tax shall be ~~Twenty-Two Cents (\$0.22)~~ Thirty-Three Cents (\$0.33) per cigar. For purposes of this Section, ring size shall be defined as the usually accepted measure used by cigar manufacturers for determining the diameter of cigar at its widest point. A ring size of one (1) is equal to one sixty-fourth (1/64) of an inch.

(c) Other Tobacco Products. A tax at the rate of ~~Three Dollars and Fifty Cents (\$3.50)~~ Twenty-One Dollars (\$21.00) per pound for all other tobacco products to be prorated in accordance with the size of the package to be taxed."

1           **Section 3. Effective Date.** This new tobacco tax shall take  
2   effect 30 days after ratification by the voters of Guam in a referendum  
3   during the General Election to be held November 2, 2010.