



I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 87-33 (LS)

Introduced by:

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**AN ACT TO *ADD* A NEW ARTICLE 7 TO CHAPTER 77,
TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO
AUTHORIZING A VIDEO SURVEILLANCE TAX
CREDIT FOR COSTS INCURRED BY LOCAL
BUSINESSES TO PURCHASE AND INSTALL VIDEO
SURVEILLANCE CAMERAS IN SUPPORT OF GUAM'S
EMERGENCY REPORTING SYSTEM.**

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

2 **Section 1.** A new Article 7 is hereby *added* to Chapter 77, Title 12, Guam
3 Code Annotated, to read:

“ARTICLE 7

**TAX CREDITS FOR THE PURCHASE AND INSTALLATION OF
VIDEO SURVEILLANCE CAMERAS**

- 8 § 77701. Video Surveillance Camera Tax Credit.
- 9 § 77702. Definitions.
- 10 § 77703. Application.
- 11 § 77704. Commitment Letter.
- 12 § 77705. Granting of Credits.
- 13 § 77706. Repayment of Tax Credits.
- 14 § 77707. Fines and Penalties.

1 § 77608. Cap on Business Privilege Tax Credits for Video Surveillance
2 Cameras.

3 § 77709. GEDA Report.

4 § 77710. Rules and Regulations.

5

6 **§ 77701. Video Surveillance Camera Tax Credit.** A business shall be
7 entitled to a credit of business privilege taxes that are not already pledged for any
8 purpose by Guam law. The tax credit shall be in an amount equal to the lesser of
9 One Thousand Dollars (\$1,000.00) or Fifty Percent (50%) of the cost to purchase
10 and install a video surveillance camera on the tax credit recipient's place of
11 business which is pointed toward the public right-of-way and registered with the
12 Guam Fire Department's (GFD) Emergency Reporting System, with the
13 acknowledgement of the Guam Police Department (GPD). To ensure an effective
14 and efficient approach to integrating the participation and resources of Guam's
15 private sector community, GFD and GPD shall develop an Implementation Plan
16 that includes a list of locations on Guam where there are high incidences of crime,
17 and where the use of video surveillance cameras may aid in the deterrence and
18 reporting of criminal activity in those areas.

19 **§ 77702. Definitions.** For purposes of this Article, the following definitions
20 shall apply:

21 (a) *Video Surveillance Camera.* A video camera designed and
22 intended when manufactured to be used for the purpose of observing an area
23 and recording what is observed and that meets or exceeds specifications
24 established by the Guam Fire Department and Guam Police Department.

25 (b) *Emergency Reporting System.* A network of police, fire, and
26 other emergency personnel, programs, equipment, database, as described in
27 Article 3, Chapter 12, of Title 12, Guam Code Annotated, whereby

1 individuals may register their video surveillance cameras with the Guam
2 Fire Department, with the acknowledgement of the Guam Police
3 Department, so that, in the event of a criminal incident or other emergency,
4 public safety and law enforcement personnel may request a copy of any
5 video captured by the video surveillance cameras which may assist in the
6 investigation of a criminal incident or other emergency.

7 **§ 77703. Application.** A business seeking a Surveillance Camera Tax
8 Credit must file a Surveillance Camera Tax Credit Application, in the form and
9 manner prescribed by the Department of Revenue and Taxation (DRT), that
10 includes the following and such other information as DRT may require:

11 (a) The location of the video surveillance camera, which shall be
12 approved by the Guam Fire Department and Guam Police Department in
13 accordance with the Implementation Plan required in § 77701 of this Article;

14 (b) Verification of registration with the Guam Fire Department's
15 Emergency Reporting System, with the acknowledgement of the Guam
16 Police Department; and

17 (c) Verification that the video surveillance camera is directed at the
18 public right-of-way so that no recording is performed except of events and
19 persons in the public right-of-way or in public view.

20 **§ 77704. Commitment Letter.** DRT shall approve the application if it
21 contains all the required information. After approval of the application, the
22 applicant must execute a commitment letter with DRT setting forth the following:

23 (a) The applicant's commitment to maintain the surveillance
24 camera in working order for a period for five (5) years after installation, and
25 the applicant's acknowledgment that it shall be required to repay any tax
26 credits it has received if it fails to so maintain the surveillance camera in
27 working order for five (5) years after installation;

1 (b) The applicant's commitment to store video footage for at least
2 thirty (30) days after initial recording;

3 (c) The applicant's commitment to maintain registration with the
4 Guam Fire Department's Emergency Reporting System, with the
5 acknowledgement of the Guam Police Department; and

6 (d) The applicant's commitment, upon request by personnel of the
7 Guam Fire Department and/or Guam Police Department, to supply fire and
8 police personnel with a copy of any video captured by the surveillance
9 camera which may assist in the investigation of a criminal incident or other
10 emergency in the vicinity of the surveillance camera.

11 **§ 77705. Granting of Credits.**

12 (a) After the applicant and DRT have executed the commitment
13 letter, the applicant, after certifying to DRT that it has installed a
14 surveillance camera in accordance with the plan set forth in the commitment
15 letter, may claim a tax credit of an amount equal to the lesser of One
16 Thousand Dollars (\$1,000.00) or Fifty Percent (50%) of the cost to purchase
17 and install a video surveillance camera. Such tax credit shall be applied
18 against the applicant's total business income and receipts tax liability for the
19 Tax Year during which the applicant certifies installation of the video
20 surveillance camera.

21 (b) A business may receive only one video surveillance camera tax
22 credit per building, but may receive video surveillance tax credits for each
23 building it owns.

24 **§ 77706. Repayment of Tax Credits.** A business that has received a video
25 surveillance camera tax credit must repay that credit to the Department of Revenue
26 and Taxation if it fails to maintain the video surveillance tax credit in accordance
27 with the provisions of the commitment letter. DRT may waive such repayment if it

1 determines the failure to maintain the video surveillance camera was because of a
2 natural disaster or other act of God or similar circumstances beyond the control of
3 the business.

4 **§ 77707. Fines and Penalties.**

5 To the extent that any individual, officer, director or other person having
6 interest in a company providing materials or services for the tax credit authorized
7 herein knowingly and willingly causes such company to take more tax benefits in
8 terms of business privilege taxes than the actual value of the material or services
9 purchased and/or installed, such individual shall be guilty of a felony in the third
10 degree punishable by a fine of not less than Five Thousand Dollars (\$5,000), or
11 one (1) year in prison, or both.

12 **§ 77708. Cap on Business Privilege Tax Credits for Video Surveillance**
13 **Cameras.**

14 (a) The total amount of credits against unpledged business privilege taxes
15 authorized herein shall not exceed One Million Dollars (\$1,000,000.00) over a five
16 (5) year period. No more than Two Hundred Thousand Dollars (\$200,000.00) in
17 tax credits shall be authorized for each year of the program. DRT shall certify
18 applicants on a 'first come-first served' basis.

19 (b) If, at the expiration of the five (5) year period authorized pursuant to this
20 Article, there are still unclaimed authorized tax credits, *I Liheslaturan Guåhan*
21 may, in its discretion, extend the eligible period until such time that all eligible tax
22 credits are exhausted.

23 **§ 77709. GEDA Report.**

24 The Guam Economic Development Authority (GEDA), in coordination
25 with the Department of Revenue and Taxation, shall submit a report to *I*
26 *Liheslaturan Guåhan* detailing the impact of the program on the business privilege
27 taxes, criminal activity, and upon the personnel and resources of public safety

1 agencies on Guam. GEDA shall also include in its report its monitoring efforts and
2 any other information related to the program. The report shall be transmitted to *I*
3 *Liheslaturan Guåhan* on an annual basis until the tax credit cap pursuant to §
4 77708 of this Article is exhausted.

5 **§ 77710. Rules and Regulations.**

6 The Guam Economic Development Authority shall implement and monitor
7 the tax credit program authorized pursuant to this Article based on rules and
8 regulations already adopted by GEDA for previous tax credit programs.”