


MINA' TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 408-33(602)

Introduced by:

V. Anthony Ada 

**AN ACT TO REPEAL AND REENACT SECTION
26609, CHAPTER 26 OF TITLE 11, GUAM CODE
ANNOTATED, RELATIVE TO THE REGULATION
AND TAXATION OF TOBACCO PRODUCTS**

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. In 2014, the Tobacco Tax was raised in an effort to deter the sale of tobacco products by making the purchase of tobacco products by consumers cost prohibitive. Thereafter, Title 11 Guam Code Annotated Section 26609 was enacted to address the concerns that the sale of tobacco products through multi-pack discounts, without charge, or for less than the listed or non-discounted price was providing an incentive to consumers to purchase tobacco products notwithstanding the increase in the Tobacco Tax.

I Liheslaturan Guåhan finds that a tax drawback is available for the full amount of the Tobacco Tax paid on tobacco products sold to licensed concessionaires at the A.B. Won Pat International Airport who sell such products to persons departing Guam. *I Liheslaturan Guåhan* further finds that sale of tobacco products to licensed concessionaires at the A.B. Won Pat International Airport who sell such products to persons departing Guam should be similarly excluded from the prohibitions set forth in Section 26609.

1 **Section 2. Repeal and Reenactment of Section 26609, Chapter 26 of Title**
2 **11, Guam Code Annotated.** Section 26609, Chapter 26 of Title 11, Guam Code
3 Annotated, is hereby *repealed* and *reenacted* to read as follows:

4 “No business engaged in the manufacture, production, distribution, or
5 importation of tobacco products, or any employee or agent of the
6 same, shall sell such products to retailers or consumers through any
7 multi-pack discounts (e.g., “Buy two, get one free”). No business
8 engaged in the manufacture, production, distribution or importation of
9 tobacco products, or any employee or agent of the same, shall sell, or
10 otherwise provide or distribute to retailers or consumers, any tobacco
11 products without charge or for less than the listed or non-discounted
12 price in exchange for the purchase of any other tobacco products. For
13 the purposes of this Section, *listed or non-discounted price* shall mean
14 the higher of the prices listed for a tobacco product on its package, or
15 the price listed on any related shelving, posting, advertising, or
16 display at the place where the tobacco product is sold or offered for
17 sale plus all applicable taxes if such taxes are not included in the
18 stated price, and before the application of any discounts.

19 Nothing in this Act shall be construed as a prohibition on
20 individual sales of tobacco products at a discounted rate; *provided*,
21 however, that it is *not* attached to a sale of another tobacco product at
22 a reduced price, or even as a give-away.

23 This Act shall not apply to tobacco products sold to persons
24 licensed as concessionaires at the A.B. Won Pat International Airport
25 who resell such tobacco products to persons departing Guam.”

1 **Section 3. Effective Date.** This Act shall be effective immediately upon
2 enactment.

3 **Section 4. Severability.** If any provision of this Law or its application to any
4 person or circumstance is found to be invalid or contrary to law, such invalidity shall
5 not affect other provisions or applications of this Law which can be given effect
6 without the invalid provisions or application, and to this end the provisions of this
7 Law are severable.