

I MINA' TRENTA NA LIHESLATURAN GUÅHAN
2009 (FIRST) REGULAR SESSION

Bill No. 147 (COR)

Introduced by:

v.c. pangelinan

2009 JUN 12 AM 11:54

**AN ACT TO ADD A NEW SUBSECTION 50103 (p) TO
CHAPTER 50 TITLE 12 GUAM CODE ANNOTATED
RELATIVE TO ACTIVITIES OF CORPORATION WITHIN
THE GUAM ECONOMIC DEVELOPMENT AUTHORITY.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative findings and intent.** *I Liheslaturan Guahan* finds there is a need to
2 implement clearer guidelines and more definitive criteria that will govern the manner in which the
3 Guam Economic Development Authority (GEDA) makes loans, guarantee loans and award grants to
4 any persons, firm, partnership or corporation licensed to do business on Guam, including non-profit
5 cooperative associations.

6 *I Liheslaturan Guahan* further finds that GEDA promotes and encourages the expansion and
7 development of markets for products on Guam and is designed to help qualified entrepreneurs
8 establish a successful business on Guam. For the past several years, GEDA has assisted many
9 entities in their endeavors to successfully establish and expand numerous businesses on Guam.
10 However, there are entities that unfortunately have not been as successful. In some of these cases,
11 entities defaulted on their loans and as a result, have never paid GEDA back monies owed to them,
12 limiting assistance available to others borrowers by their continued refusal to comply with the terms
13 of the loans.

14 Therefore, *I Liheslaturan Guahan* intends to prohibit the abuse of lending practices of GEDA
15 by these entities adding a new subsection (p) to §50103, Title 12 Guam Code Annotated, Chapter

1 50, Article 1 with regard to the purposes and authorized activities of Corporation.

2 **Section 2. Subsection (p) of Section 50103 to Title 12 Guam Code Annotated, Chapter**
3 **50, Article 1 is hereby added to read:**

4 “§50110 (p) Any business, or criminally culpable employee, officer, director, owner, or
5 shareholder of such business or any business composed of, or employing in any capacity an
6 employee, officer, director, owner, co-owner or shareholder in violation of this Chapter shall be
7 ineligible to apply for or receive a GEDA loan, loan guarantee or grant as a result of the following:

- 8 1. Record of delinquency, non-payment or default on loan, loan guarantee or
9 grant program obtained from GEDA or any other instrumentality of the
10 government of Guam;
- 11 2. Failure to meet and fulfill the terms and conditions of receiving a GEDA
12 loan, loan guarantee or grant assistance;
- 13 3. Engaged in any unlawful activity that has resulted a judgment in which the
14 terms of the judgment remain unsatisfied or conviction in the Courts of
15 Guam, the United States or foreign jurisdictions pertinent to the person’s
16 ability or likeness to repay.

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

21