

MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
TWENTY-NINTH GUAM LEGISLATURE
2007 (FIRST) Regular Session

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A.B. PALACIOS, SR.

Bill No. 74(LS)
Introduced by:

A. B. PALACIOS, SR.

AN ACT RELATIVE TO STRENGTHENING THE REGULATORY AND ENFORCEMENT CAPABILITY OF THE DEPARTMENT OF REVENUE AND TAXATION THROUGH RAISING THE RECOVERY RATE FOR COSTS FOR SERVICES PROVIDED BY ADJUSTING THE EXISTING FEES AND PENALTIES FOR THE USE OF AMUSEMENT MACHINES AND DEVICES, AND ALLOCATING THE ADDITIONAL REVENUES GENERATED TO MEET THE DEPARTMENT'S REQUIREMENTS FOR NECESSARY TOOLS, EQUIPMENT AND RESOURCES FOR CARRYING OUT TIMELY AND PROPER COMPLIANCE AND REGULATORY ACTIVITIES; THROUGH AMENDING SPECIFIC SECTIONS IN CHAPTER 22, TITLE 11, GUAM CODE ANNOTATED.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 Section 1. Legislative Findings and Intent.

2 *I Liheslaturan Guåhan* finds that the amusement industry on Guam over
3 the past several years has realized a moderate expansion in the various types
4 of activities available throughout the island, in the meantime it has become
5 more difficult for the compliance officials of the Department of Revenue and
6 Taxation to properly regulate and enforce existing rules and regulations due
7 to the financial limitations of the government of Guam. Despite this situation,
8 government inspectors and compliance officials have continued to do their

1 best with what they have been provided. I Liheslaturan Guahan also finds
2 that the fees and penalties assessed for amusement machines and other
3 recreational devices have not been adjusted for more than a couple of decades.
4 With the need to provide the regulatory officials with much-needed resources
5 and equipment to ensure proper compliance with existing laws, it is time to
6 review the existing schedule of fees and penalties applicable to amusement
7 devices. The adjustment of the fees and penalties associated with this type of
8 activity would allow for the Department of Revenue and Taxation to receive
9 the additional proceeds to apply toward acquiring resources, enhancing
10 training and recruiting essential personnel within the compliance division of
11 the agency. Through providing these additional requirements for
12 enforcement, it would ensure proper and timely enforcement of all rules,
13 regulations and laws applicable to the recreational amusement industry.

14 Therefore, it is the intent of I Liheslaturan Guahan to enact legislation
15 that would concentrate on the general provisions that apply toward the
16 operation of the amusement industry, make appropriate amendments to such
17 provisions, and also adjust fees and penalties that would result in additional
18 financial resources being applied toward the enforcement arm of the
19 government of Guam. This should provide greater acknowledgement for the
20 people of Guam that their government continues to work aggressively toward
21 the proper enforcement of applicable regulations within the amusement
22 industry.

1 **Section 2. Provisions Applicable to the Regulation of the Amusement**
2 **Industry, to Include the Adjustment and Establishment of Fees and**
3 **Penalties.**

4 A.) Section §22202 (a), (b), (c), (d) & (e) all of Chapter 22, Article 2,
5 Title 11, Guam Code Annotated, are hereby amended and new Subsections (g)
6 and (h) are hereby added to read as follows:

7 “§22202. **Imposition.**

8 A license fee is imposed on each of the following amusement devices
9 which are operating to produce revenue in Guam on the effective date of this
10 Chapter (apportioned in accordance with §22207 of this Chapter), or thereafter
11 manufactured or constructed in, imported into Guam, maintained or
12 permitted in Guam, and operated to produce revenue in Guam, and annually
13 thereafter on July 1, at the rate stated:

14 (a) on each pinball machine, ~~Twenty Five Dollars (\$25.00)~~ **One**
15 **Hundred Dollars (\$100.00);**

16 (b) on each multiple coin pinball machine, ~~Two Hundred Fifty Dollars~~
17 ~~(\$250.00)~~ **Seven Hundred Fifty Dollars (\$750.00);**

18 (c) on each coin-activated phonograph or other coin-activated music
19 producing machine, ~~Twenty Five Dollars (\$25.00)~~ **Forty-Five Dollars (\$45.00)**
20 plus Fifteen Dollars (\$15.00) for each coin slot in excess of one (1);

21 (d) on each coin-activated kiddie ride, designed for the use of children,
22 ~~Fifty Dollars (\$50.00)~~ **One Hundred Fifty Dollars (\$150.00);**

1 (e) on each video horse or greyhound race machine, ~~Six Hundred~~
2 ~~Dollars (\$600.00)~~ **One Thousand Two Hundred Fifty Dollars (\$1,250.00)**;

3 (f) on each coin-activated amusement device not included under
4 Subsections (a), (b), (c), (d) or (e) of this Section, ~~Twenty Five Dollars (\$25.00)~~
5 **One Hundred Dollars (\$100.00)**.

6 **(g) on each video symbolic, liberty or on every other amusement**
7 **device that does not fall into each of the classifications that are listed under**
8 **this section, Five Hundred Dollars (\$500.00)**.

9 **(h) on any amusement device that allows for more than one person**
10 **to participate either by use of additional coin slot, table, box, video screen,**
11 **chair with screen monitor or other means not indicated but clearly allowing**
12 **participation shall have imposed Twenty-Five Dollars (\$25.00) for each**
13 **additional means of participation.**

14 No slot machine or amusement device set to make progressive or
15 automatic payouts shall be licensed under this Section. Slot machine has the
16 same meaning in this Section as in Subsection (c) of 11 GCA §22208(c)."

17 **B.)** Section §22205 of Chapter 22, Article 2, Title 11, Guam Code
18 Annotated, a new subsection (a) is hereby added to read as follows:

19 **"§22205. Registration.**

20 Every amusement device shall be registered with the Commissioner in
21 accordance with regulations. Such regulations may provide for a suitable
22 identification certificate, tag, or decalomania for each device required to be
23 registered. It shall be a misdemeanor for any person to own, lease, operate, be

1 in possession of, any such amusement device, or for any person owning,
2 leasing, or occupying any premises to have or permit thereon any such
3 amusement device which is not registered in accordance with regulations.

4 **(a) Penalty. Any amusement device found in any premises to be**
5 **revenue producing or revenue generating that is not registered in**
6 **accordance with §22205 shall be subject to immediate seizure and**
7 **confiscation. The owner of the seized and confiscated devices shall be**
8 **fined Five-Hundred Dollars (\$500.00) for each confiscated amusement**
9 **device, and such devices shall not be released back to the owner until such**
10 **time that the payment of the total fine is fully remitted.”**

11 C.) Section §22401 of Chapter 22, Article 4, Title 11, Guam Code
12 Annotated, subsection (a), (b), (c), (d) & (e) are hereby amended and new
13 Subsections (f) through (n) are hereby added to read as follows:

14 **“§22401. Imposition.**

15 An excise tax is hereby imposed on each of the following recreation
16 facilities in Guam on the effective date of this Chapter (apportioned in
17 accordance with §22404), or thereafter manufactured or constructed in Guam,
18 imported into Guam, maintained or permitted in Guam, and used in
19 connection with any commercial business enterprise engaged in for profit
20 wherein such facility is offered for patronage, and annually thereafter on July
21 1, at the rate stated:

22 (a) on each regulation bowling alley or regulation 10-pin alley, ~~Ten~~
23 ~~Dollars (\$10.00)~~ **Fifty Dollars (\$50.00)** for each individual alley;

- 1 (b) on each regulation golf course, ~~One Hundred Dollars (\$100.00)~~ **Two**
2 **Hundred Dollars (\$200.00)** for each 9-holes or fraction thereof;
- 3 (c) on each golf driving range, or miniature golf course, ~~One Hundred~~
4 ~~(\$100.00) Dollars~~ **Two Hundred Dollars (\$200.00);**
- 5 (d) on each pool or billiard table, ~~Five Dollars (\$5.00)~~ **Twenty Five**
6 **Dollars (\$25.00);**
- 7 (e) on each skating rink, dance hall, or shooting gallery, ~~One Hundred~~
8 ~~Dollars (\$100.00)~~ **Two Hundred Fifty Dollars (\$250.00);**
- 9 **(f) On each game room, Two Hundred Dollars (\$200.00).**
- 10 **(g) On each go cart facility, Two Hundred Dollars (\$200.00).**
- 11 **(h) On each paint ball gun facility, One Hundred Dollars (\$100.00).**
- 12 **(i) On each shuffle board, One Hundred Dollars (\$100.00).**
- 13 **(j) On each mahjong table, One Hundred Dollars (\$100.00).**
- 14 **(k) On each baseball batting cage, Fifty Dollars (\$50.00).**
- 15 **(l) On each water park, One Thousand (\$1,000.00).**
- 16 **(m) On each sling shot bungee, One Thousand (\$1,000.00).**
- 17 **(n) Any recreational facility that is not listed or do not fall into each of**
18 **the classification listed in subsection (a) through (q) of this section must**
19 **secure or obtain a business license prior to the conduct of any business. The**
20 **license fee for such recreational facility shall be One Thousand (\$1,000.00)**
21 **dollars.**

1 D.) A new Section §22211 of Chapter 22, Article 2, Title 11, Guam
2 Code Annotated, relative to establishing a “Penalty” is hereby added to read
3 as follows:

4 “§22211. Penalty.

5 Any amusement device found in any premises to be revenue
6 producing or revenue generating that is not registered in accordance with
7 §22205 shall be seized and confiscated. The owner of the seized and
8 confiscated device shall pay a fine of Five Hundred (\$500.00) for each
9 unregistered amusement device, and such devices shall not be released
10 back to the owner until such time that the payment of the total fine is fully
11 remitted.”

12 **Section 3. Additional Revenues to Support Regulatory and**
13 **Compliance Activities of Amusement Machines/Devices by the Department**
14 **of Revenue and Taxation.**

15 All additional funds generated as a result of the fees, fines or penalties
16 imposed herein shall be appropriated by I Liheslaturan Guahan and re-
17 directed to the Department of Revenue and Taxation for the express use by
18 the department and its assigned personnel for compliance and regulatory
19 activities on amusement devices. The Director of the Department of Revenue
20 and Taxation, shall present in the Department’s annual budgetary submission
21 to I Liheslaturan Guahan the additional revenues highlighted herein to be
22 generated from the fees, fines or penalties, with emphasis for the funds to be
23 directed for enforcement and other regulatory activities.

1 **Section 4. Community Public Notification Prior to Effective Date.**

2 The Department of Revenue and Taxation shall provide proper and
3 timely public notification to the business community and the community at-
4 large on the newly established fines and penalties associated with the
5 commercial use of amusement machines, as reflected herein. The public
6 notification of information shall include, but may not be limited, to the use of
7 news media sources. Said public notification shall be administered no later
8 than within Forty-Five (45) days from the enactment of this Act.

9 **Section 5. Effective Date.**

10 The application of the provisions contained herein, to include the
11 imposition of fines and penalties, shall be effective no later than Sixty (60)
12 days upon the enactment of this Act.

13 **Section 6. Severability Clause.**

14 If any of the provisions of this Act or the application thereof to any
15 person or circumstance is held invalid, such invalidity shall not affect any other
16 provision or application of this Act which can be given effect without the invalid
17 provision or application, and to this end the provisions of this Act are severable.