

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

7 APR - 6 AM 11:18

Bill No. 90(LS)
Introduced by:

A. B. PALACIOS, SR. 

AN ACT RELATIVE TO THE COMMERCIAL SALE OF TOBACCO PRODUCTS ON GUAM, MAKING ADJUSTMENTS TO THE EXISTING SCHEDULE OF FEES AND PENALTIES, AND ALLOCATING THE ADDITIONAL REVENUES TO THE DEPARTMENT OF REVENUE AND TAXATION TO ENHANCE THEIR REGULATORY AND COMPLIANCE CAPABILITIES, THROUGH AMENDING SPECIFIC SECTIONS IN CHAPTER 6, ARTICLE 2, TITLE 11, GUAM CODE ANNOTATED, PERTAINING TO TOBACCO LICENSE ACTIVITIES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent.

I Liheslaturan Guåhan finds that due to the increasing requirements for properly overseeing the business sale and licensing of tobacco products islandwide, it is essential that the regulatory agency, the Department of Revenue and Taxation, is provided with sufficient funding and tools necessary to carry out its compliance and oversight responsibilities. I Liheslaturan Guahan further finds that the schedule of license fees and penalties, although they were reviewed several years ago by the Department of Revenue and Taxation, have not been adjusted to reflect more accurately the increased costs associated to enforcement and regulatory activities relative to the sale of tobacco products. The adjustment in fees and fines will reflect

1 more accurately actual costs and will enable the Department to recover a
2 greater part of costs of providing for these services. Moreover, the additional
3 revenues may be directed back to the Department to provide for resources
4 necessary to provide quality services and timely oversight of tobacco sale
5 activities.

6 Therefore, this legislation would extract specific sections from the
7 Department of Revenue And Taxation's previously proposed Rules and
8 Regulations that pertain to the sale of tobacco products which were prepared
9 and submitted by the governor's office to the Twenty-Eighth Guam
10 Legislature in the form of Bill No. 199. The sections included herein would
11 make adjustments in the fees and penalties associated with tobacco business
12 licenses and fees, and allocate these additional funds to better equip the
13 regulatory personnel of the department in carrying out their responsibilities.

14 **Section 2. Proposed Amendments to Provisions Pertaining to Tobacco**
15 **Sale and License Activities, all in Chapter 6, Article 2, Title 11, Guam Code**
16 **Annotated.**

17 A.) Section §6201, relative to tobacco fees, of Chapter 6, Article 2, Title
18 11, Guam Code Annotated, is hereby amended to read as follows:

19 **"§6201. Same: Classes and Fees.**

20 The Director is authorized to issue the following classes of licenses at the
21 following fees, which shall be paid by the applicant at the time of application:

22 (a) Annual tobacco retailer's retail license: ~~\$ 40.00~~ **Eighty Dollars**
23 **(\$80.00);**

1 (b) Annual tobacco vending machine license: \$ 20.00;

2 (c) Annual tobacco wholesaler's license: ~~\$ 500.00~~ **One Thousand Dollars**
3 **(\$1,000.00).**"

4 **B.)** Section §6203, relative to licenses, of Chapter 6, Article 2, Title 11,
5 Guam Code Annotated, is hereby amended to read as follows:

6 **"§6203. Same: Renewal.**

7 A licensee may renew his license at the expiration thereof by the
8 payment of the annual license fee set forth in this Chapter and by filing a
9 renewal application. A licensee who fails to renew his license on or before the
10 thirty-first (31st) day of March of each year shall be assessed a late fee of
11 Twenty Dollars ~~(\$20.00)~~ **Fifty Dollars (\$50.00)** and a penalty of One Dollar
12 **(\$1.00)** per each calendar day he is delinquent **until at such time the license is**
13 **renewed or cancelled,** ~~which~~ **This** penalty shall become part of the renewal
14 fee. ~~and the~~ **The** license is automatically suspended, unless all payments for
15 annual fee, late fee and the daily penalty are paid in full on or before April 30
16 of that year, in which case the license may be reinstated by the Director
17 immediately. Unless the license is so reinstated, it is automatically revoked
18 and the Director shall not issue a license except upon a new original
19 application. Any licensee who fails to renew his or her license on or before the
20 thirtieth (30th) day of April shall be required to discontinue the sales of
21 tobacco products.

22 Additionally, any licensee who fails to renew his or her license on or
23 before the thirtieth (30th) day of April shall be subject to an injunction issued

1 by the Superior Court of Guam and to prosecution under Title 11 GCA §
2 70119. Such failure to renew while continuing the operation of the business
3 shall constitute refusal and failure to obtain a license pursuant to Division 3 of
4 this Title.”

5 C.) A new Section §6209, relative to licenses, is hereby added to
6 Chapter 6, Article 2, Title 11, Guam Code Annotated, to read as follows:

7 “§6209. Location for Sale of Tobacco.

8 **§6110. Same: Renewal.**

9 All tobacco products sold over the counter must be displayed or located
10 where the access of the tobacco inventory shall be inaccessible to minors.
11 Any vendor who violates this provision shall be required to pay a penalty of
12 \$250.00 for each violation. The vendor shall be provided no more than seven
13 (7) working days to comply with the provisions herein.”

14 **Section 3. Additional Revenues to Support Regulatory and**
15 **Compliance Activities on the Sale of Tobacco Products by the Department**
16 **of Revenue and Taxation.**

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

1 herein to be generated from the fees, fines or penalties, with emphasis for the
2 funds to be directed for enforcement and other regulatory activities.

3 **Section 4. Effective Date.**

4 The application of the provisions contained herein, to include the
5 imposition of adjustments in license fees and penalties, shall be effective no
6 later than Sixty (60) days upon the enactment of this Act.

7 **Section 5. Severability Clause.**

8 If any of the provisions of this Act or the application thereof to any
9 person or circumstance is held invalid, such invalidity shall not affect any
10 other provision or application of this Act which can be given effect without
11 the invalid provision or application, and to this end the provisions of this Act
12 are severable.