


I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

2011 OCT 19 6:00 AM
MID: 25

Bill No. 350-31 (COR)

Introduced by:

M. Silva Taijeron 

AN ACT TO AMEND §58110 AND TO ADD A NEW §58110(I) BOTH TO CHAPTER 58, TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO THE INCLUSION OF LOCAL PROFESSIONAL ADVICE AND SUPPORT AS A CONDITION OF BENEFIT FOR QUALIFYING CERTIFICATE BENEFICIARIES.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 the Qualifying Certificate program was created as an economic incentive to entice
4 potential investors to Guam. Qualifying Certificates are granted on the basis of
5 investment commitment, the potential for creating new employment and the
6 expansion of island industries. According the Guam Economic Development
7 Authority, the Qualifying Certificate program has realized approximately one billion,
8 five hundred million dollars (\$1,500,000,000.00) since its inception.

9 *I Liheslaturan Guåhan* further finds that when an application is approved, a
10 contract is executed between the government of Guam and the beneficiary of the
11 Qualifying Certificate. This contract allows for certain tax rebates and abatements on
12 the basis that the beneficiary meets certain requirements, including employment and
13 investment, pursuant to existing statute.

14 *I Liheslaturan Guåhan* further finds that beneficiaries under the Qualifying
15 Certificate program may outsource off-island professional advice and support as part

1 of their operations. As this is the case, local businesses and companies that offer said
2 services are underutilized. Therefore, it is the intent of *I Liheslaturan Guåhan* to
3 require beneficiaries of a Qualifying Certificate to procure and utilize businesses or
4 companies based in Guam that provide professional advice and support in the areas of
5 records access and legal services.

6 **Section 2.** §58110 is hereby amended and a new §58110(i) is hereby added to
7 Chapter 58, Title 12 of the Guam Code Annotated to read:

8 **“§ 58110. Conditions of Benefits.**

9 In its recommendation of specific tax benefits, the Authority shall
10 consider the following as possible terms and conditions to such benefits:

11 (a) Percentage of investment. Limiting the tax benefits to a
12 percentage of the capital investment in Guam to be made by the
13 Beneficiary;

14 (b) Variable rate. Varying the rate of tax benefits over the
15 term of the Qualifying Certificate;

16 (c) Limitation on amount. Limiting the tax benefits to a
17 fixed dollar amount;

18 (d) Public investments. Conditioning the tax benefits on the
19 Beneficiary’s investing in or creating public improvements
20 separate from its proposed activities;

21 (e) Local shareholders. Requiring the Beneficiary to offer
22 ten percent (10%) or more of its corporate equity to qualified
23 residents of Guam on terms and conditions to be established by the
24 Authority;

1 (f) Profit-sharing, etc. Requiring the Beneficiary to establish
2 profit-sharing and stock ownership programs and other similar
3 benefits for its employees;

4 (g) Training. Requiring the Beneficiary to (i) establish in-
5 house training programs or (ii) make contributions to an
6 independent training or scholarship fund; ~~or~~

7 (h) Local purchaser. Requiring the Beneficiary to procure
8 services or products supplied by Guam-licensed vendors if the
9 total cost of the same does not exceed one hundred ten percent
10 (110%) of the cost of the same services or products available from
11 off-island vendors; or

12 (i) Local professional advice and support. Requiring the
13 Beneficiary to procure and utilize Guam-licensed entities that
14 provide professional advice and support in the areas of records
15 access and legal services. Such service providers shall include,
16 but not be limited to, accountants, attorneys and auditors. GEDA
17 shall have the authority to determine which services are subject to
18 this provision of law.”

19 **Section 3. Enactment.** The provisions of this Act shall become effective
20 ninety (90) days upon enactment.

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