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MINA' TRENTA NA LIHESLATURAN GUÅHAN
THIRTIETH GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

January 28, 2010

The Honorable Felix P. Camacho
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Camacho:

Transmitted herewith are Substitute Bill Nos. 107-30(LS), 150-30(COR), 152-30(COR), 260-30(COR) & 270-30(LS) which were passed by *I Mina' Trenta Na Liheslaturan Guåhan* on January 22, 2010.

Sincerely,

TINA ROSE MUÑA BARNES
Legislative Secretary

Enclosures (5)

RECEIVED ACKNOWLEDGED

By _____
Thomas Mero
CFO (Print Name)

(Department)
Date: *1/28/10* Time: *3:34*

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

FILE COPY

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Substitute Bill No. 152-30 (COR), "AN ACT TO REPEAL AND REENACT §68975, AND TO ADD A NEW §68975.1 TO CHAPTER 68, ARTICLE 11, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO THE FARMERS' COOPERATIVE ASSOCIATION OF GUAM," was on the 22nd day of January, 2010, duly and regularly passed.



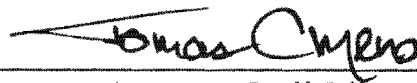
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 28 day of January 2010, at 3:34 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUAHAN
2009 (FIRST) Regular Session

Bill No. 152-30 (COR)

As substituted by the Committee on Appropriations,
Taxation, Banking, Insurance, Retirement and Land,
and amended on the Floor.

Introduced by:

v. c. pangelinan
T. R. Muña Barnes
F. F. Blas, Jr.
J. V. Espaldon
T. C. Ada
F. B. Aguon, Jr.
E. J.B. Calvo
B. J.F. Cruz
Judith P. Guthertz, DPA
Adolpho B. Palacios, Sr.
R. J. Respicio
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

**AN ACT TO REPEAL AND REENACT §68975, AND TO
ADD A NEW §68975.1 TO CHAPTER 68, ARTICLE 11,
TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO
THE FARMERS' COOPERATIVE ASSOCIATION OF
GUAM.**

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that in recent years, the agricultural industry continues to be confronted with the
4 tremendous challenge of effectively coordinating the marketing and sales of the
5 produce, livestock, aquaculture products, and ornamental plants being provided by

1 our local farmers and ranchers. In order to further promote agriculture on our
2 island, the community must allow our local farmers and ranchers to concentrate on
3 their respective agricultural activities, thus possibly leading to increased farm and
4 livestock production to meet existing and future community demands.

5 *I Liheslaturan Guåhan* further finds that many years ago, a Farmers'
6 Cooperative Association ("Association") was created, but due to tough economic
7 conditions it did *not* survive. During its existence, farmers benefited directly from
8 the distribution and marketing services that were provided by the Association, and
9 most importantly it enabled the local farmers to focus on their farming activities
10 while having other individuals address the distribution and marketing of their
11 product. The Association was granted a lease on Lot Nos. 1361-1-B-R1 and 1361-
12 1-C New, municipality of *Agana*. When the Association filed for bankruptcy, its
13 interest in the aforementioned lots was reverted to the government of Guam.

14 *I Liheslaturan Guåhan* further finds that the island is immensely dependent
15 on importation of food products. The reliance on imported food leaves our people
16 with a fresh supply of produce for *no more than* ten (10) days. Currently, one
17 hundred percent (100%) of the beef, eighty-five percent (85%) of fresh vegetables,
18 and approximately eighty-five percent (85%) of fresh fruits consumed on this
19 island are imported. While it may be impracticable or unattainable for Guam to
20 produce one hundred percent (100%) of its food, the risks and costs to society
21 cannot be ignored. The rising cost of shipping and transportation associated with
22 the price of oil create a highly inefficient local economy. Comparatively, the
23 production and consumption of local food keeps money in our community, reduces
24 the demand for transportation energy, reduces the rate of introduction of invasive
25 species and decreases the vulnerability to food supply disruptions caused by
26 natural disasters or worldwide economic events.

1 *I Liheslaturan Guåhan* further finds that to continue to promote and foster
2 the growth and expansion of the local agriculture industry, the government must
3 render necessary assistance. But the major responsibility continues to remain in
4 the hands of the men and women who continue to farm and ranch for their
5 livelihood. In order to encourage the youth to learn more about agriculture, the
6 community must prove that the agriculture industry is a viable industry and a very
7 important aspect of our island’s economy. Therefore, the government should
8 continue to provide assistance to the island farmers and ranchers and formulate
9 programs that will include the involvement of the children, the future farmers and
10 ranchers of Guam.

11 *I Liheslaturan Guåhan* further finds that it is time for bold action to squarely
12 address Guam's food requirements. It will require the long-term commitment,
13 dedication, and investment of government, the private sector, the people of Guam
14 and our local agricultural producers to dramatically shift the direction towards a
15 more agriculturally sustainable society. As a community and as a people, we must
16 decide whether we will continue to be dependent on external sources for our basic
17 needs, or whether we will build, invest, and develop the capacity to become food
18 independent. It is in the best interest of the people of Guam that we build the
19 capacity to become food self-sufficient.

20 *I Liheslaturan Guåhan* further finds that in recent years, our island farmers
21 have coordinated, organized and re-established the Farmer’s Cooperative
22 Association of Guam, Inc., a not-for-profit corporation which was duly formed and
23 registered with the Department of Revenue and Taxation on November 9, 2007.

24 *I Liheslaturan Guåhan* further finds that government of Guam land is
25 available and has been designated for a “Public Market” site. The Farmers’
26 Cooperative Association of Guam, Inc., a not-for-profit corporation, wishes to
27 lease property which has been reserved for a “Public Market Site”, specifically Lot

1 No. 10155-1, municipality of *Dededo*, comprising an area of 6.9947 total acres.
2 Lot No. 10155-1 was returned to the government of Guam under the Guam Excess
3 Lands Act pursuant to U.S. Public Law 103-339. In the parceling of the basic lot,
4 Lot No. 10155-1 was designated as a site for a public market. The Farmers'
5 Cooperative Association of Guam, Inc. intends to construct a facility to
6 accommodate not only its activities, but to include the relocation of the existing
7 *Dededo* Flea Market to this site.

8 *I Liheslaturan Guåhan* further finds that the lease of Lot No. 10155-1, which
9 has been sitting dormant for *more than* a dozen years, should be used for its
10 intended purpose, which will benefit the people, farmers and ranchers of Guam.

11 Therefore, it is the intent of *I Liheslaturan Guåhan* to *repeal* and *re-enact*
12 §68975 of Chapter 68, Article 11, Title 21, GCA, relative to the re-establishment
13 of the Farmer's Cooperative Association and to authorize *I Maga'lahaen Guåhan* to
14 enter into a lease agreement with the new Farmers' Cooperative Association of
15 Guam, Inc., a not-for-profit corporation, for the sole purpose of the creation of a
16 "Public Market".

17 **Section 2. §68975 of Chapter 68, Article 11, Title 21, Guam Code**
18 **Annotated, is hereby *repealed* and *re-enacted* to read as follows:**

19 **“§68975. Farmer's Cooperative Association of Guam, Inc.**

20 *I Maga'lahaen Guåhan* shall execute all instruments necessary to carry
21 out the provisions of subsections (a) through (h) of this Section.

22 *I Maga'lahaen Guåhan* is hereby authorized to lease to the Farmers'
23 Cooperative Association of Guam, Inc., ('Association') a not-for-profit
24 corporation, the following tract of government-owned land:

25 (a) Lot No. 10155-1 (6.9947± acres), municipality of
26 *Dededo* or other suitable property.

1 (b) The Government *shall* lease to the Association for the
2 sum of One Dollar (\$1.00) per annum lots cited in subsection (a) for
3 twenty-five (25) years with an option to renew for another twenty-five
4 (25) years. The Association may subject the property and its
5 improvements to a leasehold mortgage.

6 (c) The use of the leasehold *shall be limited* to those
7 activities consistent with the mission and purpose of lessee, as
8 detailed in its governing documents, and for the activities authorized
9 herein.

10 (d) Notwithstanding any other laws to the contrary, the lease
11 by the government of Guam to the Association of Lot No. 10155-1,
12 containing an area of 6.9947± total acres in the municipality of
13 *Dededo*, and improvements thereon, *shall be executed by I Maga'lahi*
14 and the duly authorized representative of the Association and *shall*
15 require the concurrence of *I Liheslaturan Guåhan*.

16 (e) The leasehold is *not* assignable *nor may* it be sublet
17 without *I Liheslaturan Guåhan's* approval.

18 (f) Any change in the tax status of the lessee *shall* require an
19 immediate renegotiation of the lease. *If* such change *shall be* to a for-
20 profit entity, the rate of the lease *shall be no less than* ten percent
21 (10%) of the actual market value of the property.

22 (g) The lease *shall* contain a provision granting the Mayor of
23 *Dededo*, through a memorandum of agreement, access to and use of
24 the lease premises for the activities authorized in Title 21, GCA,
25 Chapter 68, Article 9, §68901(b), with the exception that the approval
26 by the Department of Land Management *shall no longer* be required
27 for the issuance of the permits pursuant to §68901(b).

1 (h) The lease *shall* include a provision requiring that after the
2 initial seven (7) years of the term, ten percent (10%) of the lessee's
3 annual retained earnings for the previous year from other than the sale
4 of produce *shall* thereafter be remitted to the account of the Ancestral
5 Land Bank and increased five percent (5%) every five (5) years
6 thereafter for the remaining term of the lease to a maximum of fifty
7 percent (50%).

8 **§68975.1. Government Support for the Establishment of a**
9 **Farmers' Cooperative Association of Guam.** To maximize the
10 opportunities for success of the Association, *I Liheslaturan Guåhan* directs
11 the Association to seek the technical expertise available in our local
12 community as part of the authorization to lease, and designates the
13 University of Guam's College of Natural and Applied Sciences as the lead
14 government entity in identifying the necessary support for the establishment
15 of the Association, which will be directed and administered by the island's
16 local farmers. The University of Guam's College of Natural and Applied
17 Sciences may assist the facilitation of meetings and dialog among all
18 pertinent government entities that will support the successful establishment
19 and long-term operation of the Association that will concentrate on the
20 marketing of local agricultural products and in the provision of other
21 necessary services to our island farmers.

22 (a) The Association shall seek support from the College of Natural
23 and Applied Sciences (CNAS) of the University of Guam for the following
24 services:

- 25 (1) render professional and technical advice in ways to
26 enhance farming activities on Guam;

- 1 (2) provide periodic and current information on its research
2 activities which it deems may be beneficial to the
3 Association;
- 4 (3) share any information that may assist the Association in
5 its operation and marketing activities;
- 6 (4) marketing expertise and guidance;
- 7 (5) advice on enhanced business practices, and ways to
8 identify and capitalize on existing and potential
9 agricultural markets, both local and off-island; and
- 10 (6) other services it provides that may be beneficial to the
11 Association.

12 (b) The Association, through a Memorandum of Understanding,
13 *shall* seek support from the School of Business and Public Administration
14 (SBPA), more specifically, the Small Business Development Center (SBDC)
15 of the University of Guam, for business counseling and training to the
16 Association's members.

17 All efforts *shall* be coordinated by the College of Natural and Applied
18 Sciences so as *not* to duplicate the University of Guam's services.

19 (c) The Association *shall* seek support from the Department of
20 Agriculture for the following services:

- 21 (1) professional and technical expertise and advice to the
22 Association in its farming activities;
- 23 (2) conduct periodic assessments of the market demands and
24 conditions for certain agricultural products and share
25 such information with the Association and its members;

- 1 (3) provide logistical support, to include, but *not limited to*,
2 farming equipment and related services, if available, to
3 the Association and its members;
- 4 (4) make accessible and available its farmers loan program
5 to the Association and its members, in conformance with
6 established guidelines and requirements;
- 7 (5) provide business, marketing and distribution expertise to
8 the Association; and
- 9 (6) other services it provides that may be beneficial to the
10 Association.

11 (d) The Association *shall* seek support from the Guam Economic
12 Development Authority for the following services:

- 13 (1) direct application and use of the Authority's Qualifying
14 Certificate Program, in accordance with established
15 program rules and guidelines;
- 16 (2) assistance with appropriate agency business and
17 agricultural loan programs; and
- 18 (3) other services it provides that *may* be beneficial to the
19 Association.

20 These entities *shall* provide such services and general assistance to the
21 Association as a Guam non-profit organization. This assistance will
22 promote the successful establishment of the Association for the benefit of
23 our local farmers and the growth of the island's traditional industry. For
24 services and support beyond this, the Association is encouraged to work
25 with the entities (UOG's CNAS, SBPA and SBDC, and the Guam
26 Department of Agriculture) to apply for grants to fund these efforts or hire
27 needed expertise beyond the resources currently available.

1 Nothing herein shall limit the rights of the Association from seeking
2 assistance and technical expertise from any other organizations in the
3 furtherance of its goals and objectives.”

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