

*I Mina'Trentai Dos Na Liheslaturan Guahan*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>194-32 (COR)</b>	Michael F. Q. San Nicolas	AN ACT TOADD A NEW CHAPTER 55 TO DIVISION 2, TITLE 12, GUAM CODE ANNOTATED AND A NEW SUBSECTION (i) TO §103104 OF CHAPTER 10, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF A GUAM INTRASTATE SECURITIES EXCHANGE UNDER THE INTRASTATE OFFERING EXEMPTION OF THE SECURITIES ACT OF 1933.	09/24/13 11:47 a.m.	09/24/13	Committee on Aviation, Ground Transportation, Regulatory Concerns, and Future Generations			<b>Fiscal Note Request 10/1/13</b>



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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CHAIRPERSON  
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Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
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Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

October 1, 2013

VIA E-MAIL  
[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

**John A. Rios**  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

**RE: Request for Fiscal Notes– Bill Nos. 194-32(COR) through 201-32(COR)**

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

**Senator Rory J. Respicio**  
*Chairperson, Committee on Rules*

Attachments (1)

Cc: Clerk of the Legislature

2013 OCT - 1 PM 4: 26

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194-32 (COR)	Michael F.Q. San Nicolas	AN ACT TO ADD A NEW CHAPTER 55 TO DIVISION 2, TITLE 12, GUAM CODE ANNOTATED AND A NEW SUBSECTION (i) TO §103104 OF CHAPTER 10, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE ESTABLISHMENT OF A GUAM INTRASTATE SECURITIES EXCHANGE UNDER THE INTRASTATE OFFERING EXEMPTION OF THE SECURITIES ACT OF 1933.
195-32 (COR)	Frank B. Aguon, Jr.	AN ACT RELATIVE TO PROTECTING INFANTS WHO ARE BORN ALIVE AS A RESULT OF AN ABORTION, THROUGH THE ESTABLISHMENT OF THE "INFANT CHILD'S RIGHT TO LIFE ACT"; THROUGH ADDING A NEW CHAPTER 91 TO TITLE 9, GUAM CODE ANNOTATED.
196-32 (COR)	T.C. Ada R.J. Respicio	AN ACT TO AMEND SECTIONS 51301(c) AND 53105 OF CHAPTER 53, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ENSURING THE ADEQUATE REPAIR AND RESTORATION OF GUAM'S PUBLIC ROADWAYS BY CONTRACTORS WHO OPEN AND EXCAVATE THESE ROADS.
197-32 (COR)	Judith T. Won Pat, Ed.D., T. R. Muña Barnes	AN ACT TO ADD A NEW §3223 TO CHAPTER 3 OF TITLE 17 GUAM CODE ANNOTATED, RELATIVE TO HONORARY HIGH SCHOOL DIPLOMAS FOR CERTAIN SENIOR CITIZENS.
198-32 (COR)	Judith T. Won Pat, Ed.D., T. R. Muña Barnes	AN ACT TO ADD A NEW §5013 TO TITLE 5, CHAPTER 5 OF TITLE 5 GUAM CODE ANNOTATED, RELATIVE TO GOVERNMENT PROCUREMENT POLICY IN FAVOR OF WOMEN OWNED BUSINESSES.
199-32 (COR)	Judith T. Won Pat, Ed.D., T.C. Ada	AN ACT TO AMEND §22425(q)(4) AND (q)(5) OF TITLE 5 GUAM CODE ANNOTATED, RELATIVE TO FUNDING THE FACILITIES AND MAINTENANCE DIVISION OF THE GUAM DEPARTMENT OF EDUCATION.
200-32 (COR)	R.J. Respicio, T.C. Ada, B.J.F. Cruz	AN ACT TO AMEND TITLE 10 GUAM CODE ANNOTATED §77135 RELATIVE TO POLICE CLEARANCES, TO BE KNOWN AS THE "POLICE CLEARANCE CLARITY ACT OF 2013."
201-32 (COR)	B.J.F. Cruz	AN ACT TO ADD A NEW §5141 TO CHAPTER 5 OF TITLE 5 OF THE GUAM CODE ANNOTATED; RELATIVE TO ESTABLISHING SYSTEM OF TRAINING, CONTINUING EDUCATION, AND CERTIFICATION FOR GOVERNMENT OF GUAM PROCUREMENT PERSONNEL.



## COMMITTEE ON RULES

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September 24, 2013

### MEMORANDUM

**To: Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From: Senator Rory J. Respicio**  
*Majority Leader & Rules Chair*

**Subject: Referral of Bill No. 194-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 194-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment

I MINA'TRENTAI DOS NA LIHESLATURAN GUAHÂN  
2013 (First) Regular Session

Bill No. 194-32 (cop)  
Introduced by:

Michael F.Q. San Nicolas

AN ACT TO ADD A NEW CHAPTER 55 TO DIVISION  
2, TITLE 12, GUAM CODE ANNOTATED AND A  
NEW SUBSECTION (i) TO §103104 OF CHAPTER 10,  
TITLE 11, GUAM CODE ANNOTATED, RELATIVE  
TO THE ESTABLISHMENT OF A GUAM  
INTRASTATE SECURITIES EXCHANGE UNDER THE  
INTRASTATE OFFERING EXEMPTION OF THE  
SECURITIES ACT OF 1933.

2  
2013 SEP 24 AM 11:47  
F. Q. San Nicolas

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Short Title. This Act shall be cited as the “Guam  
3 Intrastate Securities Exchange Act”.

4 Section 2. Legislative Intent. *I Liheslaturan Guahân* finds that many  
5 local businesses would benefit greatly by expanded access to additional  
6 funding mechanisms for new or expanded operations. Under the Securities  
7 Act of 1933, federal law provides that intrastate offerings of securities are  
8 exempt from regulation by the Securities and Exchange Commission.

9 *I Liheslaturan Guahân* finds that, although the exemption allows for  
10 intrastate offerings, there is no local mechanism established to facilitate the  
11 offering and sale of intrastate securities by local businesses to local

1 investors. Without such a mechanism, the economic potential of this  
2 exemption within the federal securities law is not yet realized.

3 *I Liheslaturan Guåhan* further finds that access to capital is a key  
4 component of growth, and that current capital access is generally limited to  
5 owner infusions and borrowing.

6 *I Liheslaturan Guåhan* finds that Public Law 26-76, which dissolved the  
7 Department of Commerce, added the following language to the purposes  
8 of the Guam Economic Development Authority (GEDA): “The Authority  
9 *shall* promote and encourage the expansion and development of markets  
10 for products of Guam. [...] The Authority *shall* promote and encourage  
11 location and development of new businesses on Guam, as well as the  
12 retention and expansion of existing businesses”. GEDA further, provides  
13 direct loans through several programs to local businesses. It is, thus, a  
14 natural extension of the mandate of GEDA to allow it to facilitate in the  
15 provision of capital to local businesses through an intrastate securities  
16 program.

17 Therefore, it is the intent of *I Liheslaturan Guahån* that the Guam  
18 Economic Development Authority establish a Guam Intrastate Securities  
19 Exchange program in compliance with federal and local laws and  
20 regulations to facilitate the offering and sale of intrastate securities by local  
21 companies to local investors by adding a new Chapter 55 to Division 2,  
22 Title 22, Guam Code Annotated.

1           **Section 3. Guam Intrastate Securities Exchange.** A new Chapter 55  
2 is hereby added to Division 2 of Title 12 of the Guam Code Annotated, to  
3 read:

4                                   **“CHAPTER 55**

5                                   **GUAM INTRASTATE SECURITIES EXCHANGE**

6

7   Article 1.   General Provisions.

8   Article 2.   Guam Intrastate Securities Exchange Program.

9

10                                  **ARTICLE 1**

11                                  **GENERAL PROVISIONS**

12

13   § 55101. Short Title.

14   § 55102. Definitions.

15

16   **§55101. Short Title.**

17           This Chapter shall be cited as the ‘Guam Intrastate Securities  
18 Exchange Act’.

19   **§55102. Definitions.**

20           As used in this Chapter, unless the context in which they are used  
21 requires a different meaning, or unless a different definition is prescribed  
22 for a particular Chapter, Article or provision:

1 (a) 'Security' has the same meaning as provided in Section 2(a)(1) of  
2 the Securities Act of 1933.

3 (b) 'Sale' or 'sell' have the same meanings as provided in Section  
4 2(a)(3) of the Securities Act of 1933.

5 (c) 'Intrastate offering exemption' shall mean the exemption from  
6 United States securities regulations offered by Section 3 Subsection (a)(11)  
7 of the Securities Act of 1933 and regulations governing such exemption,  
8 including Code of Federal Regulations Title 11 Chapter II §230.147.

9 (d) 'Issuer' has the same meaning as provided in Section 2(a)(4) of the  
10 Securities Act of 1933.

11

12 **ARTICLE 2**

13 **GUAM INTRASTATE SECURITIES EXCHANGE PROGRAM**

14

15 § 55201. Creation.

16 § 55202. Purpose.

17 § 55203. Authority to Promulgate Rules and Regulations.

18 § 55204. Maintenance of Records

19

20 **§55201. Creation.**

21 There is created, within the Guam Economic Development Authority,  
22 a Guam Intrastate Securities Exchange Program.

23 **§55202. Purpose.**



1           The purpose of the Guam Intrastate Securities Exchange Program  
2 *shall* be to facilitate the issuance and exchange of intrastate offerings by  
3 businesses established within the Territory of Guam and the government of  
4 Guam inclusive of autonomous, semi-autonomous and other agencies and  
5 instrumentalities of the government Guam, pursuant to the intrastate  
6 offerings exemption of the Securities Act of 1933. The program *shall* help to  
7 match issuers which desire to offer securities to invest in new or expanded  
8 local operations with qualified local investors who are able to provide  
9 capital to make these plans achievable. The program *shall* ensure that all  
10 offerings, offerors and investors comply with the provisions of the  
11 Intrastate Offering exemption and other federal and local laws and  
12 regulations.

13 **§55203. Authority to Promulgate Rules and Regulations.**

14           The Board of Directors of the Guam Economic Development  
15 Authority is hereby authorized to promulgate all necessary rules,  
16 procedures and regulations for the administration of this Act and to  
17 accomplish the purposes for which the Intrastate Securities Exchange  
18 Program are established, pursuant to the Securities Act of 1933 and the  
19 Administrative Adjudication Law. The program *shall* comply with all  
20 aspects of federal and local securities and exchange laws and regulations  
21 relative to intrastate offerings. Within one hundred eighty (180) days from  
22 the enactment of this Act, the Board of Directors *shall* promulgate initial  
23 rules and regulations governing the program, including a schedule of fees

1 to operate the program, all in consultation with the Banking and Insurance  
2 Commissioner for the purposes of regulatory compliance.

3 **§ 55204. Maintenance of Records.**

4 Records of each transaction pursuant to the program established by  
5 this Chapter *shall* be maintained by the Intrastate Securities Exchange  
6 Program within GEDA for a minimum of five (5) years following the  
7 completion of such transaction, or as further necessary to satisfy any action  
8 brought by the Banking and Insurance Commissioner or the Securities and  
9 Exchange Commission against any party until such transaction has reached  
10 final resolution. It shall be the responsibility of each investor to maintain  
11 all necessary transaction records in excess of five (5) years, and to report  
12 and pay all applicable taxes to the government of Guam.”

13 **Section 4. Regulation of the Intrastate Security Exchange.** A new  
14 Subsection (i) is hereby added to §103104 of Chapter 10, Title 11, Guam  
15 Code Annotated, to read:

16 “(i) The Banking and Insurance Commissioner *shall* promulgate  
17 necessary rules and regulations, pursuant to the Administrative  
18 Adjudication Law in compliance with the Securities Act of 1933, to monitor  
19 and enforce compliance of the Guam Intrastate Securities Exchange  
20 Program of the Guam Economic Development Authority. Participating  
21 issuers and investors *shall* be regulated in accordance with applicable  
22 federal securities laws and regulations and applicable local laws and  
23 regulations. The Regulatory Division of the Department of Revenue and

1 Taxation *shall* have jurisdiction for enforcement of the provisions of such  
2 rules and regulations. The Commissioner *shall* promulgate initial rules and  
3 regulations under this section within one hundred eighty (180) days of the  
4 enactment of this Act, all in consultation with the Guam Economic  
5 Development Authority Board of Directors to ensure regulatory  
6 compliance.”