EDDIE BAZA CALVOGovernor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

TJUL 0 8 2013

Honorable Judith T. Won Pat, Ed.D. Speaker I Mina'trentai Dos Na Liheslaturan Guåhan 155 Hesler Street Hagåtña, Guam 96910 32-13-571

Judich T. Wom Pat, Ed. D.

eceived by

Dear Madame Speaker:

Transmitted herewith is Bill No.118-32 (COR) "AN ACT TO ADD NEW §§ 3123, 3124, 3124.1 AND 3125 TO ARTICLE 1; TO AMEND § 3207 AND ADD NEW §§ 3212.1, 3230, 3231 AND 3232 OF ARTICLE 2; AND TO AMEND §3613 OF ARTICLE 6, ALL OF CHAPTER 3, TITLE 11, GUAM CODE ANNOTATED; AND TO ADD A NEW SUBSECTION (h) TO §2105, A NEW SUBSECTION (c) TO §2107, AND A NEW §2111, ALL OF CHAPTER 2, TITLE 3, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ALCOHOL BEVERAGE CONTROL, AND TO BE KNOWN AS "THE RESPONSIBLE ALCOHOL SALES AND SERVICE ACT" which I signed into law on July 5, 2013 as Public Law 32-051.

Senseramente,

EDDIE BAZA CALVO I Maga'lahen Guåhan

Governor of Guam

Attachment: copy of Bill

2013 JUL -8 PM 4: 59

I MINA TRENTAI DOS NA LIHESLATURAN GUÅHAN 2013 (FIRST) Regular Session

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

This is to certify that Substitute Bill No. 118-32 (COR), "AN ACT TO ADD NEW §§ 3123, 3124, 3124.1 AND 3125 TO ARTICLE 1; TO AMEND § 3207 AND ADD NEW §§ 3212.1, 3230, 3231 AND 3232 OF ARTICLE 2; AND TO AMEND §3613 OF ARTICLE 6, ALL OF CHAPTER 3, TITLE 11, GUAM CODE ANNOTATED; AND TO ADD A NEW SUBSECTION (h) TO §2105, A NEW SUBSECTION (c) TO §2107, AND A NEW §2111, ALL OF CHAPTER 2, TITLE 3, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ALCOHOL BEVERAGE CONTROL, AND TO BE KNOWN AS "THE RESPONSIBLE ALCOHOL SALES AND SERVICE ACT", was on the 24th day of June, 2013, duly and regularly passed.

Acting Speaker Attested: Thomas C. Ada **Acting Legislative Secretary** This Act was received by I Maga'lahen Guåhan this 26th day of June. 2013, at 3' \(\omega\) o'clock \(\frac{1}{2}\).M. Maga'lahi's Office APPROVED: EDWARD J.B. CALVO I Maga'lahen Guåhan JUL 0 5 2013 Public Law No. 32-051

I MINA TRENTAI DOS NA LIHESLATURAN GUÅHAN 2013 (FIRST) Regular Session

Bill No. 118-32 (COR)

As substituted by the Committee on Aviation, Ground Transportation, Regulatory Concerns and Future Generations.

Introduced by:

Dennis G. Rodriguez, Jr.
B. J.F. Cruz
V. Anthony Ada
Michael F. Q. San Nicolas
Judith T. Won Pat, Ed.D.
R. J. Respicio
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
T. C. Ada
Frank B. Aguon, Jr.
Chris M. Dueñas
Michael T. Limtiaco
Vicente (ben) C. Pangelinan
Aline A. Yamashita, Ph.D.

AN ACT TO *ADD* NEW §§ 3123, 3124, 3124.1 AND 3125 TO ARTICLE 1; TO *AMEND* § 3207 AND *ADD* NEW §§ 3212.1, 3230, 3231 AND 3232 OF ARTICLE 2; AND TO *AMEND* §3613 OF ARTICLE 6, ALL OF CHAPTER 3, TITLE 11, GUAM CODE ANNOTATED; AND TO *ADD* A NEW SUBSECTION (h) TO §2105, A NEW SUBSECTION (c) TO §2107, AND A NEW §2111, ALL OF CHAPTER 2, TITLE 3, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO ALCOHOL BEVERAGE CONTROL, AND TO BE KNOWN AS "THE RESPONSIBLE ALCOHOL SALES AND SERVICE ACT."

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. I Mina'Trentai Dos Na Liheslaturan Guåhan finds that hundreds of bars, clubs, stores and restaurants across the island engage in the sale and service of alcoholic beverages thousands of times a day. For the individuals and corporations that hold these licenses the sale of alcoholic beverages can be a very lucrative business. These license holders also play a key role in the hospitality and retailing sectors of Guam's economy, providing jobs for our people and tax revenue for the government.

The privilege to sell alcoholic beverages also comes with certain responsibilities, including adherence to the rules and regulations the government enacts to protect the health and safety of all who live and visit here.

I Mina'Trentai Dos Na Liheslaturan Guåhan also finds that there is abundant statistical and anecdotal evidence pointing to unacceptably high levels of criminal and societal problems that can be traced to the irresponsible sale, service, and consumption of alcoholic beverages.

This evidence includes arrest data provided by GPD and the published results of unannounced and undercover enforcement actions conducted by ABC that shows there are many employees, both those who are licensed by ABC and those who are not ABC licensed, who routinely ignore, willfully violate, or fail to understand their legal responsibilities when serving or selling alcoholic beverages.

High on the list of complaints are service to minors, after hour sales, and sales to intoxicated individuals at both on-premises and off-premises licensed establishments.

I Mina'Trentai Dos Na Liheslaturan Guåhan finds further that there is growing public impatience with people who consume alcoholic beverages outside off-premise licensed stores and other public places where the consumption of alcoholic beverages is prohibited at all hours of the night and day.

I Mina'Trentai Dos Na Liheslaturan Guåhan finds that there is also great public concern about persistent problems such as drunk drivers who injure and/or kill people on our roadways; intoxicated individuals involved in assaults, fights, stabbings, shootings or other crimes, and underage drinking; including instances where these problems can be traced back to the irresponsible sale and service of alcoholic beverages.

There have been many efforts to combat these problems from both the public and private sectors of the community, but yet these problems still negatively impact the quality of life for those who live here and tarnish our island's reputation in the eyes of Guam's visitors.

I Mina'Trentai Dos Na Liheslaturan Guåhan finds that generally these alcohol enforcement programs overlook the importance of the proper education and training of point of sale employees, both servers and sellers, their supervisors and managers.

It is the intent of *I Mina'Trentai Dos Na Liheslaturan Guåhan* to provide for the proper education and training of point of sale employees, both servers and sellers, their supervisors and managers, by joining the dozens of other U.S. states that mandate responsible server/seller training for workers who serve or sell alcoholic beverages, their supervisors, and managers.

It is the intent of *I Mina'Trentai Dos Na Liheslaturan Guåhan* to ensure that those licensed to serve or sell alcoholic beverages to the public, in particular holders of Class 4, 5, 6, 7, 9, 10, 11, and 12 ABC Licenses, have in their employ servers and sellers appropriately trained to comply with Guam's ABC laws.

Under the law, employees who serve or sell alcoholic beverages have legally mandated responsibilities, including, but not limited to, preventing the sale of alcoholic beverages to persons under 21 years of age; recognizing falsified

identification documents; denial of service to an intoxicated or unruly person; and the enforcement of hours of service and sale of alcoholic beverages.

The Legislature recognizes that these employees are being asked to fill a vitally important role in keeping our island safe, and the transactions they conduct can have extraordinary and even tragic consequences at the point of sale and beyond, yet there is no standardized classroom training to help them understand and execute their responsibilities or keep them mindful of the key role they play in the upholding of community standards related to the service and sale of alcoholic beverages.

It is the intent of *I Mina'Trentai Dos Na Liheslaturan Guåhan* for standardized server/seller classroom training to be widely available and easily accessible for employees who serve or sell alcoholic beverages, and for that training to be a requirement for obtaining an ABC Alcohol Employee License.

Section 2. New §§3123, 3124, 3124.1 and 3125 are *added* to Article 1 of Chapter 3, Title 11, Guam Code Annotated, to read:

"§ 3123. Alcohol Employee. Alcohol employee means a person employed by any on-sale or off-sale licensee who sells or serves alcoholic beverages, or who supervises others who sell or serve alcoholic beverages. This includes, but is *not* limited to, bartenders, waitresses, waiters, hostesses, hosts, cashiers, checkout clerks, supervisors, and managers of licensees who are holders of Class 4, 5, 6, 7, 9, 10, 11, and 12 ABC Licenses.

§ 3124. Alcohol Server/Seller Training Program. Alcohol server/seller training program means a classroom only educational program offered by a non-profit organization, an entity of the government of Guam, a community college, or a university that has been approved by the Administrator under regulations promulgated by the Board. Such regulations shall include, but not be limited to, the content of the program, certification

of instructors of the program, and testing and methods of presentation, and as further provided pursuant to 3 GAR Chapter 2 [Alcoholic Beverage Control Board]. The Board, in drafting such regulations, *shall* consult with community stakeholders and *shall* comply with the Administrative Adjudication Act.

§ 3124.1. Delegation of Authority.

- (a) The Administrator, with the approval of the Board, may enter into an agreement with a non-profit organization, community college, or university with an authorized program to conduct an Alcohol Server/Seller Training program on behalf of the Board, to include:
 - (1) verification of qualifications;
 - (2) the collection of fees for application and licensure, as provided pursuant to §3207 of this Chapter, on behalf of the Board, notwithstanding 3 GAR §2101(d), which *shall not* be applicable in this instance;
 - (3) the issuance of a Guam Alcohol Beverage Control Alcohol Employee license on behalf of the Board; and
 - (4) the accounting and remittance of requisite fees collected for application and licensure, the full sum of which *shall* be paid to the Alcoholic Beverage Compliance Fees and Fines Fund, must be used to promote the compliance and enforcement of liquor laws; the act of which *shall* be deemed compliant with Title 11 Guam Code Annotated, Chapter 3, §3515.
- (b) Prior to remitting the fees collected pursuant to this Section to the Alcoholic Beverage Compliance Fees and Fines Fund, the authorized non-profit organization, community college, or university *shall* deduct and

| 1 | retain from the fees collected the cost for tuition for the Alcohol |
|----|------------------------------------------------------------------------------|
| 2 | Server/Seller Training program. |
| 3 | § 3125. Manager. All Class 4 on-sale establishments shall have a |
| 4 | duly registered manager or assistant manager on the premises, in the absence |
| 5 | of the licensee, and during the hours from 7:00 p.m. daily until closing." |
| 6 | Section 3. §3207 of Article 2, Chapter 3, Title 11, Guam Code Annotated, is |
| 7 | amended to read: |
| 8 | "§ 3207. Licenses: Classes and Fees. The Board is authorized to |
| 9 | issue the following classes and kinds of licenses at the following fees: |
| 10 | Class 1. Manufacturer's license \$100.00 per year |
| 11 | Class 2. Agent's license \$250.00 per year |
| 12 | Class 3. Wholesale dealer's license \$1,000.00 per year |
| 13 | Class 4. Retail dealer's on-sale license: |
| 14 | Beer \$300.00 per year |
| 15 | General \$1,000.00 per year |
| 16 | Wine \$300.00 per year |
| 17 | Manager/Assistant Manager \$60.00 per 3 years |
| 18 | Alcohol Employee \$60.00 per 3 years |
| 19 | Class 5. Retail dealer's off-sale license: |
| 20 | Beer \$200.00 per year |
| 21 | General \$1,000.00 per year |
| 22 | Alcohol Employee \$60.00 per 3 years |
| 23 | |
| 24 | Class 6. Special Alcoholic license \$25.00 per year |
| 25 | Alcohol Employee \$60.00 per 3 years |
| 26 | Class 7. Temporary beer license \$ 20.00 per day |
| 27 | but not to exceed \$100.00 per event |

| 1 | Alcohol Employee \$60. | 00 per 3 years |
|----|-------------------------------------------------------------|-----------------|
| 2 | | |
| 3 | Class 8. Public warehousemen's license \$50. | 00 per year |
| 4 | Class 9. Club license \$500 | 0.00 per year |
| 5 | Alcohol Employee \$60. | 00 per 3 years |
| 6 | Class 10. Temporary general license \$ 50.00 per d | ay, but not to |
| 7 | exceed \$100.00 per event | |
| 8 | Alcohol Employee \$60. | 00 per 3 years |
| 9 | Class 11. Microbrewery-pub restaurant license \$1,000.0 | 00 per year |
| 10 | Alcohol Employee \$60. | 00 per 3 years |
| 11 | Class 12. Mobile License: | |
| 12 | (a) Limousine Service – per vehicle \$75 | 0.00 per year |
| 13 | (b) Charter Vehicle (Vans) – per vehicle | |
| 14 | Up to ten passengers \$500 | 0.00 per year |
| 15 | (c) Charter Vehicle (Vans) - per vehicle | |
| 16 | More than ten passengers \$750 | 0.00 per year |
| 17 | (d) Buses -per vehicle \$1,0 | 00.00 per year |
| 18 | (e) Alcohol Employee \$60. | 00 per 3 years |
| 19 | Class 13. Alcohol Server/Seller training program \$200 |).00 per year." |
| 20 | Section 4. A new §3212.1 is added to Article 2, Chapter 3, | Title 11, Guam |
| 21 | Code Annotated, to read: | |
| 22 | "§ 3212.1. Alcohol Employee License, Term and | d Portability. |
| 23 | Except as otherwise provided for a violation, as provided p | ursuant to this |
| 24 | Chapter, the License for an Alcohol Employee shall: | |
| 25 | (a) be valid for a term of three years; | |
| 26 | (b) be portable to additional or other premises; | |

1 (c) be in the possession of the employee at all times when 2 performing any duties involving the service or sale of any class of alcohol, 3 as provided for and defined pursuant to Article 1 of this Chapter; 4 (d) include the declaration that the holder has completed an ABC 5 Board approved Alcohol Server/Seller Training Program; and be issued by the Alcohol Server/Seller training program." б 7 Section 5. New §§3230, 3231 and 3232 are added to Article 2 of Chapter 3, 8 Title 11, Guam Code Annotated, to read: 9 "§ 3230. Alcohol Employee License. 10 An Alcohol Employee License *shall* be required for all persons 11 who sell or serve, supervise or manage those who sell or serve alcoholic beverages for holders of Class 4, 5, 6, 7, 9, 10, 11, and 12 ABC Licenses. 12 13 (b) A Temporary Alcohol Employee License may be issued to an 14 employee who has registered for an ABC Board approved Alcohol Server/Seller Training Program. The Temporary Alcohol Employee License 15 expires in thirty days or when the Alcohol Employee License is issued, 16 17 whichever is sooner. A dated receipt from an ABC Board approved Alcohol 18 (c) 19 Server/Seller Training Program indicating enrollment and the scheduled 20 date, time, and location of training shall be considered a Temporary Alcohol The receipt shall also state, "Temporary Alcohol 21 Employee License. 22 Employee License", and *shall* contain the notation that the temporary license 23 shall expire within thirty days of issuance. 24 § 3231. Manager License. An Alcohol Beverage Control Manager License shall be required for all managers or assistant managers. 25 26 Every manager must provide the Board and their employer with proof that

the manager has successfully completed an ABC Board approved Alcohol

Server/Seller Training Program. Proof for the employer *shall* be satisfied by the possession of a valid Alcohol Beverage Control Manager or Assistant Manager License, which *shall* include the declaration, that the holder has completed an ABC Board approved "Alcohol Server/Seller Training Program.

§ 3232. Alcohol Server/Seller Training Program License. An Alcohol Server/Seller training program license *shall* be issued to alcohol server/seller training programs that have been approved by the administrator."

Section 6. §3613 of Article 6, Chapter 3, Title 11, Guam Code Annotated, is *amended* to read:

"§ 3613. Same: Hearing.

- (a) The Board, upon receipt of the report required in §3612, *shall*, as soon as practicable, hold a hearing on such report.
- (b) The Board shall impose a penalty on a licensee found guilty of violating any of the provisions of this Chapter amounting to One Thousand Five Hundred Dollars (\$1,500.00) for the first offense; Two Thousand Five Hundred Dollars (\$2,500.00) for the second offense; and Three Thousand Five Hundred Dollars (\$3,500.00) for the third offense. For the fourth offense, the Board may impose a penalty of up to Ten Thousand Dollars (\$10,000.00), but *not less than* Five Thousand Dollars (\$5,000.00), and a forty-eight hour suspension for every subsequent offense. Contingent on the severity of any violation, the Board may use its discretion and suspend or revoke the license of any licensee found guilty of violating any of the provisions of this Chapter.
- (c) In addition to the fines in Subsection (b) of this Section, the Board *shall* suspend, for a period of *not less than* thirty days and *no more*

than ninety days, the license of any licensee found guilty of violating §3413 of this Chapter as a second offense. The Board shall revoke the license of any licensee found guilty of violating §3413 of this Chapter as a third offense.

- (d) The Board *shall* suspend an Alcohol Employee's license for seven days for a first offense of §3212.1(c) and (d), and/or §3230, of this Chapter; a suspension of an Alcohol Employee's license for fourteen days and a One Hundred Fifty Dollar (\$150) fine for a second offense; and revocation of an Alcohol Employee's license for the third offense."
- **Section 7.** A new Subsection (h) is *added* to §2105 of Chapter 2, Title 3, Guam Administrative Rules and Regulations, to read:
 - "(h) Class 4, 5, 6, 7, 9, 10, 11 and 12 ABC Licensees *shall not* hire or employ any employee that *does not* have a valid Alcohol Employee License from an approved Alcohol Server/Seller Training Program twelve months from the effective date of this Act, provided, however:
 - (1) that a current ABC License *shall* continue to be valid until expiration, but the licensee *shall* be required to have taken the Alcohol Server/Seller Training Program prior to license renewal. Further, the unexpired license *shall not* be portable, as provided pursuant to §3212.1(b) which only applies to a licensee who has passed an Alcohol Server/Seller Training Program."
- **Section 8.** A new Subsection (c) is *added* to §2107 of Chapter 2, Title 3, Guam Administrative Rules and Regulations, to read:
 - "(c) The Administrator *shall* approve classroom alcohol server/seller training programs that meet the regulations duly promulgated by the Board pursuant to 11 Guam Code Annotated §3124."

| 1 | Section 9. A new §2111 is added to Chapter 2, Title 3, Guam Administrative |
|----|----------------------------------------------------------------------------|
| 2 | Rules and Regulations, to read: |
| 3 | "§ 2111. Responsibilities of Alcohol Server/Seller Training |
| 4 | Programs. |
| 5 | (a) No alcohol server/seller training program will offer or conduct |
| 6 | alcohol server/seller training classes until they have received written |
| 7 | approval from the Administrator. |
| 8 | (b) All alcohol server/seller training programs shall apply for |
| 9 | approval from the Administrator by submitting their complete program, |
| 10 | including instructor manuals, student manuals, videos and any other |
| 11 | materials that are used for the program. |
| 12 | (c) The curriculum of an alcohol server/seller training program |
| 13 | shall include, at a minimum, all of the following topics: |
| 14 | (1) the ethics and responsibilities of serving alcoholic |
| 15 | beverages; |
| 16 | (2) basic alcohol content among different types of drinks |
| 17 | containing alcohol; |
| 18 | (3) the clinical effects of alcohol, including the identification |
| 19 | of progressive stages of intoxication and the visible signs associated |
| 20 | with each stage; |
| 21 | (4) variables associated with visible intoxication, including |
| 22 | the rate of drinking, tolerance, weight, food consumption, gender, and |
| 23 | use of other drugs; |
| 24 | (5) procedures for monitoring consumption, personal skills |
| 25 | to prevent intoxication and intervention procedures; |

1 (6)acceptable forms of personal identification, techniques 2 for determining the validity of identification, and procedures for dealing with fraudulent identification; 3 4 (8)personal skills to assess the need to ask for identification 5 based on appearance and company policy; the identification of potential third-party sales and 6 (9)7 furnishing of alcoholic beverages to minors by persons 21 years of 8 age or over; 9 (10) the understanding of possible legal, civil. 10 administrative consequences of violations of this Act, the rules of the 11 Board, and other pertinent laws; (11) how to identify at place of employment spirits and other 12 alcoholic beverage products not intended for resale or commercial 13 distribution outside of military bases, and procedures for reporting 14 15 these violations to the Board; (12) the understanding of Guam laws pertaining to minors 16 17 attempting to purchase, minors in possession, and third-party sales or furnishing of alcoholic beverages by adults to minors; 18 (13) knowledge of the legal hours of alcohol service and 19 20 occupancy; 21 (14) identification of signs of prohibited activities, such as gambling, solicitation for prostitution, and drug sales; and 22 23 (15) any other pertinent laws as determined by the Board or Administrator. 24 25 (d) The alcohol server/seller training program shall administer a comprehensive examination to participants of the program, including 26 27 individuals seeking certification as instructors within the program.

The

examination *shall* thoroughly test the individual's knowledge and competency in the curriculum topics required by the Board. The minimum passing grade for the examination participants of the program *shall* be *not less than* 75%. For instructor certification, the passing grade *shall* be *not less than* 85%. All tests *shall* be approved by the Administrator.

- (e) The alcohol server/seller training program *shall* issue an Alcohol Employee License to the student who successfully completes the program. Certification *shall* be valid for a term of three years.
- (f) The alcohol server/seller training program *shall* issue an instructor certification card to all instructors that have been certified by the program that *shall* be valid for a term of three years, and *shall* notify the Board or Administrator. The alcohol server/seller training program *shall* immediately notify the Board or Administrator when an instructor is no longer certified by the program.
- (g) The alcohol server/seller training program *shall* make available all records of students, instructors and certifications to the Board and the Administrator.
- (h) The Administrator may rescind approval of any alcohol server/seller training program that fails to continue to meet these requirements or fails to pay the yearly fee set by the Board.
- (i) The Administrator *shall not* approve online alcohol server/seller training programs."
- Section 10. Effective Date. This Act shall become effective upon enactment.
 - Section 11. Phased Implementation for Enforcement.

(a) The Board *shall* promulgate the requisite rules and regulations mandated pursuant to §3124 of Title 11, Guam Code Annotated, within one hundred fifty calendar days of the effective date of this Act.

- (b) With the approval by the Administrator of a classroom alcohol server/seller training program, and the actual commencement of program availability, then the compliance, enforcement and penalty provisions of this Act shall become effective within twelve months of the effective date of this Act.
- **Section 12. Severability.** If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or applications of this Law which can be given effect without the invalid provisions or applications, and to this end the provisions of this Law are severable.