

SEVENTEENTH GUAM LEGISLATURE
1984 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 198, "AN ACT TO AMEND SECTION 19200 OF THE GOVERNMENT CODE RELATIVE TO THE IMPOSITION OF LICENSE FEES ON AMUSEMENT DEVICES AND TO DECLARE SUCH DEVICES AS LAWFUL IN ACCORDANCE WITH FEDERAL STATUTES AND FOR OTHER PURPOSES," was on the 25th day of May 1984, duly and regularly passed.

CARL T. C. GUTIERREZ
Speaker

Attested:

Elizabeth P. Arriola
ELIZABETH P. ARRIOLA
Senator and Legislative Secretary

This Act was received by the Governor this 31st day of May
1984, at 10:15 o'clock A.m.

R. J. Mankin
Assistant Staff Officer
Governor's Office

APPROVED:

Ricardo J. Bordallo
RICARDO J. BORDALLO
Governor of Guam

Date: June 11, 1984

Public Law No. 2:52/1984
P.L. 17-56

SEVENTEENTH GUAM LEGISLATURE
1983 (FIRST) Regular Session

Bill No. 198
Substituted by Committee
Ways and Means

Introduced by:

T. S. Nelson
E. D. Ramsey
J. H. Underwood

AN ACT TO AMEND SECTION 19200 OF THE
GOVERNMENT CODE RELATIVE TO THE IMPOSITION
OF LICENSE FEES ON AMUSEMENT DEVICES AND TO
DECLARE SUCH DEVICES AS LAWFUL IN ACCORDANCE
WITH FEDERAL STATUTES AND FOR OTHER
PURPOSES.

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

2 Section 1. Section 19200 of the Government Code is amended to read:

3 "Section 19200. Imposition. A license fee is imposed on each of
4 the following amusement devices which are operating to produce
5 revenue in Guam on the effective date of this Chapter (apportioned in
6 accordance with Section 19200.4 of this Chapter), or thereafter
7 manufactured or constructed in, imported into Guam, maintained or
8 permitted in Guam, and operated to produce revenue in Guam, and
9 annually thereafter on July 1, at the rate stated:

10 (a) On each pinball machine, One Hundred Dollars (\$100.00);

11 (b) On each multiple-coin pinball machine, Two Hundred Fifty
12 Dollars (\$250.00);

13 (c) On each coin-activated phonograph or other coin-activated
14 music producing machine, One Hundred Dollars (\$100.00) plus Fifteen
15 Dollars (\$15.00) for each coin slot in excess of one (1);

16 (d) On each coin-activated kiddie ride, designed for the use of
17 children, Fifty Dollars (\$50.00);

18 (e) On each video horse or greyhound race machine and each
19 poker machine, Three Hundred Dollars (\$300.00); and

1 (f) On each coin-activated amusement device not included under
2 subsections (a), (b), (c), (d) or (e) of this Section, One Hundred
3 Dollars (\$100.00)."

4 Section 2. A new Section 19513.08 is added to the Government Code
5 to read:

6 "Section 19513.08. At the time that each taxpayer reports his
7 gross revenue he shall file a malfunction payment report for the
8 preceding month for each amusement device licensed. The report shall
9 contain the identifying number of the amusement device, the date of
10 each malfunction, the amount of the refund paid because of the
11 malfunction and name of the person to whom the refund was paid."

12 Section 3. A new Chapter VII of Title 1 is added to the General
13 Corporation Law (Civil Code of Guam) to read:

14 "CHAPTER VII
15 Corporate Merger

16 Article 1

17 Short Form Corporate Merger

18 Section 701(a) If a domestic corporation owns all of the
19 outstanding shares of the subsidiary corporation or corporations,
20 domestic or foreign, other than the necessary single qualifying share
21 of the directors thereof, the merger of the subsidiary corporation or
22 corporations into the parent corporation or into another such
23 subsidiary or subsidiaries of the parent corporation may be effected by
24 a resolution adopted by the Boards of the parent corporation and the
25 respective subsidiary corporation(s), and the filing of a Certificate of
26 Ownership as provided in Subsection (d), below. The resolution shall
27 provide for the merger and shall provide that the surviving
28 corporation assumes all the liabilities of the merged corporations.

29 (b) Whenever a domestic or foreign corporation, having any real
30 property in this Territory merges or consolidates with another
31 corporation pursuant to the laws of this Territory or of the State or
32 place in which any constituent corporation was incorporated, and the
33 laws of the state or place of incorporation (including this Territory) of
34 any disappearing corporation provide substantially that the making and

1 filing of the agreement of merger or consolidation vests in the
2 surviving consolidated corporation all the real property of any
3 disappearing corporation, the filing for record in the Office of Land
4 Management of the Territory of Guam of either a certificate prescribed
5 by the appropriate government administrator of corporations, or a copy
6 of the agreement of the merger or consolidation, certified by an
7 authorized public official of the state or place pursuant to the laws of
8 which the merger or consolidation is effected, shall evidence record
9 ownership in the surviving or consolidated corporation of all interest
10 of such disappearing corporation in and to the real property located in
11 the Territory of Guam. The Director of Revenue and Taxation, or his
12 designee, is hereby authorized to certify and prescribe the form of
13 certificate herein referenced.

14 (c) In any merger pursuant to this Chapter, the surviving
15 corporation may change its name, providing the same does not
16 otherwise violate the general corporation law, regardless of whether
17 the name so adopted is the same as or similar to that of one of the
18 disappearing corporations. In such case, the resolution referred to in
19 Subsection (a) above shall provide for the amendment of the surviving
20 corporation Articles to change the name and shall establish the wording
21 of the amendment.

22 (d) After adoption of the resolution or resolutions of merger, a
23 Certificate of Ownership consisting of an officer's certificate of the
24 surviving corporation shall be filed, and a copy thereof for each
25 domestic and qualified foreign disappearing corporation shall also be
26 filed. The Certificate of Ownership shall:

27 (1) Identify the disappearing and surviving corporations.

28 (2) Set forth the share ownership by the parent corporation
29 of each merged subsidiary corporation as 100% of the outstanding
30 shares (exclusive of qualifying director shares).

31 (3) Set forth the resolution adopted by the Board of the
32 parent corporation, including the resolution for change of name if
33 applicable.

1 (4) Set forth the resolution adopted by the Board of each
2 subsidiary corporation involved in the merger.

3 (e) The Certificate of Ownership shall not be filed, however,
4 until there has been filed by or on behalf of each disappearing
5 corporation a Certificate of Satisfaction of the Director of the
6 Department of Revenue and Taxation that all taxes owed or which are
7 then required by law to be imposed upon such corporation have been
8 paid or secured. The Director of Revenue and Taxation may accept
9 the assurance of the surviving corporation that it will pay such taxes
10 as security therefore, in form required by the Director.

11 (f) Upon the filing of the Certificate of Ownership, the merger
12 shall be effective and any amendment of the Articles of the surviving
13 corporation set forth in the certificate shall be effective as an
14 amendment thereof without further act.

15 (g) Merger pursuant to this section may be effected if the
16 parent corporation is a foreign corporation and if at least one
17 subsidiary corporation is a domestic corporation but in such case a
18 Certificate of Ownership prepared as in subsection (d) shall be filed
19 as to each domestic and qualified foreign subsidiary corporation, but
20 no filing shall be made as to the foreign parent corporation.

21 (h) A foreign subsidiary corporation may not be merged as in
22 this Chapter provided and a foreign parent corporation may not act as
23 in this section provided unless the laws of the state or place of its
24 incorporation permits such action.

25 (i) The directors owning nominal qualifying share certificates of
26 any disappearing corporation which is merged pursuant to this chapter
27 shall be paid a fair compensation for the shares surrendered or
28 cancelled, which should be in an amount not less than the
29 consideration initially paid by the director for such shares. The
30 fairness of consideration may be determined by any agreement
31 regarding the repurchase of shares between the director and the
32 corporation made at the time the director acquired the shares, or by
33 reference to a book value of the shares, or by any other method

1 rationally and equitably determined by the Board of the parent
2 corporation.

3 (j) A domestic parent corporation may merge into a wholly owned
4 domestic or foreign subsidiary in the manner and upon the conditions
5 of this Chapter provided that all outstanding shares of the parent
6 corporation (other than nominal qualifying director shares) are owned
7 by not more than three (3) persons and each of said persons has
8 signed a consent or ratification of the resolution of merger.

9 Section 4. A New Section 19200.5 is added to the Government Code to
10 read:

11 "Section 19200.5. Declaration of exemption for certain devices
12 from the provisions of 15 U.S.C. §1172. (a) Pursuant to Section 2 of
13 that certain Act of the Congress of the United States entitled 'An Act
14 to prohibit transportation of gambling devices in interstate and foreign
15 commerce,' approved January 2, 1951, being c. 1194, 65 Stat. 1134,
16 and also designated as 15 U.S.C. 1171-1177 and hereinafter referred to
17 in this Section as the 'Act', the territory of Guam, acting by and
18 through the duly elected and qualified members of its Legislature, does
19 hereby in this Section 19200.5 and in accordance with and in
20 compliance with the provisions of Section 2 of the Act, declare and
21 proclaim that the following devices described under Section 1 of the
22 Act are lawful in Guam: Pinball machines, multiple-coin pinball
23 machines, and poker machines, and other coin-activated devices taxed
24 under Section 19200 of the Government Code; provided, however, that
25 this declaration of legality shall not be deemed to apply to any
26 so-called 'slot machine' as defined in Subsection (c) of this Section,
27 which 'slot machines' device is declared to be and remain unlawful in
28 Guam.

29 (b) Shipments of such devices described in paragraph (a) of this
30 Section 19200.5 (but excluding slot machines as therein defined), the
31 registering, recording and labeling of which have been duly
32 accomplished by the manufacturer or dealer thereof in accordance with
33 Sections 3 and 4 of the Act, shall be deemed legal shipments thereof
34 into Guam.

1 (c) As used in this Section 'slot machine' means a mechanical
2 device an essential part of which is a drum or reel with insignia
3 thereon and (1) which when operated may deliver, as the result of the
4 application of an element of chance, any money or property or (2) by
5 the operation of which a person may become entitled to receive, as the
6 result of the application of an element of chance, any money or
7 property."

8 Section 5. The license fee imposed in Section 1 of this Act shall be
9 effective immediately for the specific purpose of being applicable for the tax
10 year beginning July 1, 1984, and thereafter.