



Territory of Guam
Forfeitorian Guam

OFFICE OF THE GOVERNOR
1000 GARDEN OF EDEN DRIVE
AGANA, GUAM 96910

JAN 24 1992

The Honorable Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

JA

Dear Mr. Speaker:

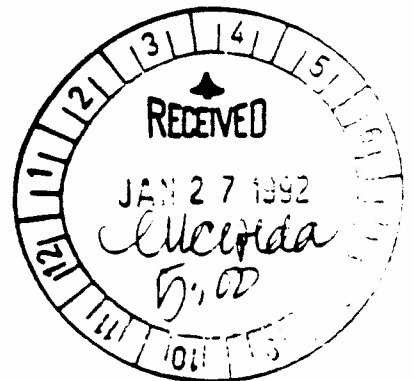
Transmitted herewith is Bill No. 471, which I have signed into law this date as Public Law No. 21-76.

Sincerely,

Joseph F. Ada
JOSEPH F. ADA
Governor

Attachment

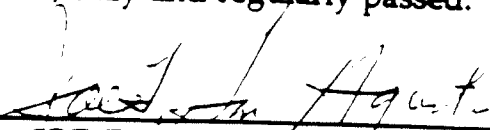
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TWENTY-FIRST GUAM LEGISLATURE
1992 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 471 (COR), "AN ACT TO AMEND SUBSECTIONS (5) AND (6) OF §10510, CHAPTER VII, TITLE XI, GOVERNMENT CODE OF GUAM, TO CHANGE THE MINIMUM AGE REQUIREMENT FOR CONTRACTOR'S LICENSE AND TO EXEMPT CONTRACTORS WITH NO EMPLOYEES FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT," was on the 10th day of January, 1992, duly and regularly passed.



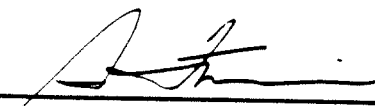
JOE T. SAN AGUSTIN
Speaker

Attested:



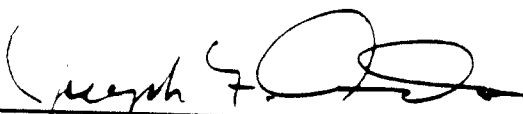
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 15th day of January 1992, at 5:05 o'clock P.m.



Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: JAN 24 1992

Public Law No: 21-76

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 471 (COR)

As substituted by the Committee on
Youth, Senior Citizens and Cultural
Affairs

Introduced by:

G. Mailloux
H. D. Dierking
E. R. Dueñas

J. P. Aguon
E. P. Arriola
J. G. Bamba
A. C. Blaz
M. Z. Bordallo
D. F. Brooks
E. M. Espaldon
C. T. C. Gutierrez
P. C. Lujan
M. D. A. Manibusan
D. Parkinson
M. J. Reidy
M. C. Ruth
J. T. San Agustin
F. R. Santos
D. L. G. Shimizu
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO AMEND SUBSECTIONS (5) AND (6) OF §10510,
CHAPTER VII, TITLE XI, GOVERNMENT CODE OF GUAM,
TO CHANGE THE MINIMUM AGE REQUIREMENT FOR A
CONTRACTOR'S LICENSE AND TO EXEMPT
CONTRACTORS WITH NO EMPLOYEES FROM THE
WORKER'S COMPENSATION INSURANCE REQUIREMENT.

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

2 **Section 1. Legislative findings.** The Contractors License Board report
3 and the Legislature finds that many one-person contracting firms have been
4 unnecessarily burdened with the requirement that they carry worker
5 compensation insurance. These firms, in fact, have no employees and do all
6 the contracting work themselves. Because of the current law rates continue
7 to rise for insurance such a one-person contractor will never use.

8 **Section 2.** Subsections (5) and (6) of §10510, Chapter VII, Title X
9 Government Code of Guam, are amended to read:

10 (5) Any individual, unless he is of the age of eighteen (18)
11 years or more;

12 (6) Any person who employs any employees in addition to
13 himself unless he submits satisfactory proof that he has a current
14 workers' compensation insurance policy."



Twenty-First Guam Legislature

SENATOR ELIZABETH P. ARRIOLA
Chairperson
Committee on Youth,
Senior Citizens and Cultural Affairs

October 31, 1991

The Honorable Joe T. San Agustin
Speaker
Twenty-First Guam Legislature
155 Hesler Street
Agana, Guam 96910

VIA: Chairman, Committee on Rules

Dear Mr. Speaker:

The *Committee on Youth, Senior Citizens and Cultural Affairs* to which was referred Bill No. 471, "AN ACT TO AMEND P. L. 14-51 SUBSECTIONS (5) AND (6) OF SECTION 10510 OF THE GOVERNMENT CODE OF GUAM TO CHANGE THE MINIMUM AGE REQUIREMENT FOR A CONTRACTOR'S LICENSE AND TO EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT" has had the same under consideration and now wishes to report back its recommendation TO DO PASS as substituted by the Committee.

Committee votes received:

<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>REPORT OUT</u>	<u>OTHER</u>
-10-	-0-	-0-	-1-

Attached herewith are the Committee Report and other pertinent documents for your perusal.

Sincerely,

ELIZABETH P. ARRIOLA

Attachments

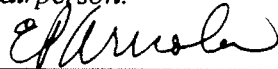
VOTE SHEET

COMMITTEE ON YOUTH, SENIOR CITIZENS AND CULTURAL AFFAIRS

on
Bill No. 471
As substituted by the Committee

"AN ACT TO AMEND P. L. 14-51 SUBSECTIONS (5) AND (6) OF SECTION 10510 OF THE GOVERNMENT CODE OF GUAM TO CHANGE THE MINIMUM AGE REQUIREMENT FOR A CONTRACTOR'S LICENSE AND TO EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT."

Chairperson:



Elizabeth P. Arriola

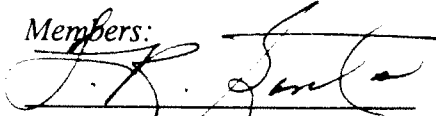
To Pass

Not To Pass

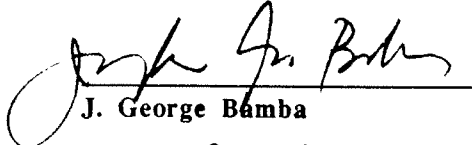
Report Out

Inactive File

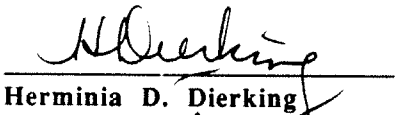
Members:



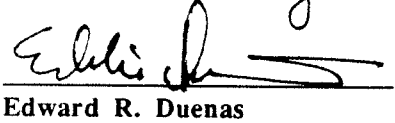
Frank R. Santos



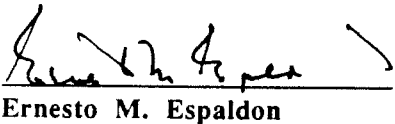
J. George Bamba



Herminia D. Dierking



Edward R. Duenas



Ernesto M. Espaldon

Pilar C. Lujan

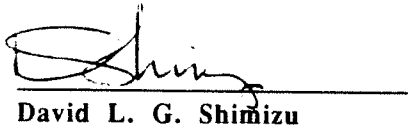
off Island

off Espan



Martha C. Ruth

10/19/91

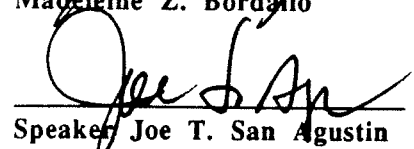


David L. G. Shimizu



Madeleine Z. Bordallo

She is coming back this afternoon



Speaker Joe T. San Agustin

COMMITTEE REPORT
of the
**COMMITTEE ON YOUTH, SENIOR CITIZENS
AND CULTURAL AFFAIRS**
on *Bill Nos. 471 and 486*

BILL NO. 471... "AN ACT TO AMEND P. L. 14-51 SUBSECTION 10510(6) TO EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT."

BILL NO. 486... "AN ACT TO AMEND SECTION 10510 (5) AND (6) OF THE GOVERNMENT CODE OF GUAM RELATIVE TO THE INSURANCE OF LICENSES BY THE GUAM CONTRACTORS LICENSE BOARD."

PREFACE

A public hearing on **Bill Nos. 471 and 486** was held by the Committee on Youth, Senior Citizens and Cultural Affairs on Wednesday, August 21, 1991 at the Public Hearing Room, Pacific Arcade Building, Agana.

Present at the hearing were Chairperson, Senator Elizabeth P. Arriola and attended by Senators Martha C. Ruth and Anthony C. Blaz.

BACKGROUND

Existing law requires that all contractors purchase Workers' Compensation Insurance. Bill Nos. 471 and 486 propose to exempt single-person contractors from the Workers' Compensation Insurance requirement. Also, Bill No. 486 proposes to change the minimum age of an applicant for a contractor's license from twenty (20) to eighteen (18).

TESTIMONY

The hearing focused on the proposals to change existing statute:

1. Exempt sole proprietor contractors from having to obtain Workers' Compensation Insurance; and
2. Change the minimum age of an applicant for a contractor's license from twenty (20) to eighteen (18).

Mr. Anthony C. Leon Guerrero, Executive Secretary, Contractors License Board, testified in support of Bill Nos. 471 and 486. He stated that "contractors that are sole proprietors without any employees in its payroll and who works by himself, should not be required to obtain Worker's Compensation Insurance because this insurance is for the protection of the workers and not the owners." Mr. Guerrero further commented on Bill No. 486 that "our young adults be given opportunities in the construction industry."

Patty Jacobs-Bernardo testified in support of Bill No. 471, stating that sole proprietor contractors frequently are being charged up to \$1,000.00 a year in premiums by insurance companies that carry the Workers' Compensation for the construction companies. She cited that in the state of California, sole proprietor contractors are not required to carry Workers' Compensation Insurance until they hire employees. She also supported passage of Bill No. 486.

Chris Delfin, Workers' Compensation Administrator at the Department of Labor, said that although he supports the intent of Bill No. 471, he suggested that the proposed amendment be changed to address all single-person contractors, not merely sole proprietors.

Thomas Nielsen, President, Guam Contractors' Association, recommended that some mechanism must be written in

Bill No. 471 to assure that sole proprietor contractors do not abuse their status as single-person contractor.

Bill Gibson, Executive Director, Guam Employers Council, testified to the Committee that "if the law exempts sole proprietors from Workers' Compensation laws, sole proprietorships will probably outnumber all other kinds of business enterprises unless the Bill is re-worded to address "individual, independent contractors or individual, independent operators" who are the sole employee of a licensed business enterprise."

Robert Barlow, sole proprietor contractor, submitted written testimony in support of Bill No. 471.

There being no further testimony, Chairperson Arriola adjourned the hearing on Bill Nos. 471 and 486.

COMMITTEE RECOMMENDATION

The Committee on Youth, Senior Citizens and Cultural Affairs recommends to consolidate Bill Nos. 471 and 486 as both Bills have substantially the same intent. The Committee wishes to report Bill No. 471, *"AN ACT TO AMEND P. L. 14-51 SUBSECTIONS (5) AND (6) OF SECTION 10510 OF THE GOVERNMENT CODE OF GUAM TO CHANGE THE MINIMUM AGE REQUIREMENT FOR A CONTRACTOR'S LICENSE AND TO EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT"* has had the same under consideration, and now wishes to report back the same with the recommendation **TO PASS** as substituted by the Committee.

ATTACHMENTS

1. Written testimony by Ms. Patty Jacobs-Bernardo.
2. Written testimony by Mr. Anthony C. Leon Guerrero, Executive Director, Guam Contractors License Board.
3. Written testimony by Mr. Thomas Nielsen, President, Guam Contractors' Association.
4. Written testimony by Mr. Bill Gibson, Executive Director, Guam Employers Council.
5. Written testimony by Mr. Robert Barlow, Sole Proprietor Contractor.
6. Written testimony by Mr. Edward A. Guerrero, Director, Department of Labor.
7. Written testimony by Mr. Joe R. San Agustin.

Twenty-First Guam Legislature

1991 (FIRST) Regular Session

Bill No. 471
as substituted by the
Committee on Youth, Senior Citizens and Cultural Affairs

Introduced by:

G. MAILLOUX

E. R. Duenas

E. P. Arriola

AN ACT TO AMEND P. L. 14-51 SUBSECTIONS (5) AND (6) OF SECTION 10510 OF THE GOVERNMENT CODE OF GUAM TO CHANGE THE MINIMUM AGE REQUIREMENT FOR A CONTRACTOR'S LICENSE AND TO EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S COMPENSATION INSURANCE REQUIREMENT.

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

2 Section 1. Legislative Findings.

3 The Contractors License Board finds that many one-person contracting firms have been
4 unnecessarily burden with the requirement that they carry worker's compensation insurance. These
5 firms, in fact, have no employees and do all the contracting work themselves. Insurance rates continue to
6 rise and the sole proprietor single-person contractor is required to pay for insurance he will never use,
7 because of the current law.

8 Section 2. Subsections (5) and (6) of Section 10510 of the Government Code of Guam are amended
9 to read:

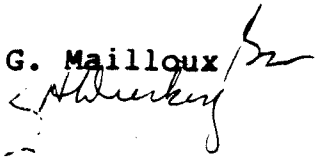
10 "(5) Any individual, unless he is of the age of eighteen (18) years or more;

11 (6) Any person who is an employer as defined by the Worker's Compensation Law
unless he submits satisfactory proof that he has a current workers' compensation insurance
policy."

TWENTY-FIRST GUAM LEGISLATURE
1991 (First) Regular Session

Bill No. 471

Introduced by:


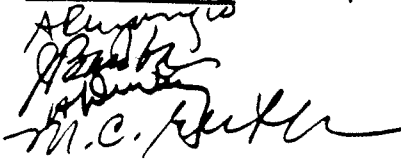
G. Mailloux 

45
**AN ACT TO AMEND P.L. 14-51 SUBSECTION 10510 (6) TO
EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S
COMPENSATION INSURANCE REQUIREMENT.**

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. Legislative Findings. The Contractors
3 License Board finds many one-person contracting firms
4 have been unnecessarily burden with the requirement that
5 they carry worker's compensation insurance. These firms,
6 in fact, have no employees and do all the contracting work
7 themselves. Insurance rates continue to rise and the sole
8 proprietor single-person contractor is required to pay for
9 insurance he will never use, because of the current law.
10 Section 2. Therefore, P.L. 14-51, Subsection 10501 (6) is
11 amended to read:
12 (6) Any person unless he submits satisfactory proof to the
13 Contractors License Board that he has obtained worker's
14 compensation insurance; except such person who is a sole
15 proprietor with no employees and who works by himself."

TWENTY-FIRST GUAM LEGISLATURE
1991 (First) Regular Session

Bill 486
Introduced by:

E.R. DUENAS 

M.C. Ruck

454
AN ACT TO AMEND SECTION 10510 (5) AND (6) OF
THE GOVERNMENT CODE OF GUAM RELATIVE TO
THE ISSUANCE OF LICENSES BY THE GUAM
CONTRACTORS LICENSE BOARD

- 1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
2 Section 1. Section 10510 (6) of the Government Code of Guam is amended to read:
3 "(5) Any individual unless he is of the age of [~~twenty (20)~~] eighteen (18) years or
4 more; or
5 "(6) Any person or company which has employees in its payroll unless [~~he~~] it
6 submits satisfactory proof to the Contractors License Board that [~~he~~] it has obtained
7 workmen's compensation."

ized engineering knowledge and skill, powerhouses, power plants and other utility plants and installations, mines and metallurgical plants, land leveling and earth-moving projects excavating, grating, trenching, paving and surfacing work and cement and concrete work in connection with the above-mentioned fixed works.

(c) A general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

(d) A specialty contractor is a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.

(e) A Responsible Management Employee is an individual who has proved his contracting knowledge by written examination.

§10507. Powers to Classify and Limit Operations.

(a) The Contractors License Board may adopt rules and regulations necessary to effect the classification of contractors and shall require a written examination in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he is classified and qualified to engage, as defined in §10506.

(b) A licensee may make application for classification and be classified in more than one classification if the licensee meets the qualifications prescribed by the Board for such additional classification. For qualifying or classifying in additional classifications, the licensee shall pay the appropriate application fee but shall not be required to pay any additional license fee.

(c) This Section shall not prohibit a specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which he is licensed, is less than thirty-five percent (35%) and supplemental to the performance of work in the craft for which the specialty contractor is licensed.

§10508. Licenses Required.

No person within the purview of this Chapter shall act, or assume to act, or advertise, as general engineering contractor, general building contractor or specialty contractor without a license previously obtained under and in compliance with this Chapter and the rules and regulations of the Contractors License Board.

§10509. Investigation Permitted.

The Contractors License Board may investigate, classify and qualify applicants for contractors licenses.

§10510. No License Issued When.

No license hereunder shall be issued to:

- (1) Any person unless he has filed an application therefore;
- (2) Any person who does not possess a good reputation for honesty, truthfulness, financial integrity and fair dealing;
- (3) Any copartnership or joint venture who does not actively participate in at least one construction job in the course of the license year in the contracting business and thereof does not hold an appropriate license;
- (4) Any corporation unless the contracting business thereof is under the direct management of an officer or employee thereof and unless the officer or employee holds an appropriate Responsible Management Employee license;
- (5) Any individual unless he is of the age of twenty (20) years or more; or
- (6) Any person unless he submits satisfactory proof to the Contractors License Board that he has obtained workmen's compensation insurance.

§10511. Application: Fees.

(a) Every applicant for a license under this Chapter shall file an application with the Contractors License Board in such form and setting forth such information as may be pre-

August 21, 1991

TESTIMONY ON BILL NO. 471 and BILL NO. 486

by Patty Jacobs-Bernardo

Patty Jacobs-Bernardo

Both Bill 471 and 486 have been introduced to amend the Contractors' License Law. Bill 471 specifically seeks to exempt sole proprietor contractors from having to obtain Workers' Compensation Insurance. I am in favor of Bill 471. Sole proprietor contractors frequently have no employees, but do all the construction work themselves. Workers' Compensation Insurance does not cover the owner (or sole proprietor) of the company but only the workers. Insurance companies are reluctant to issue policies to companies that have no employees. Sole proprietor contractors frequently are being charged up to \$1,000 a year in premiums by insurance companies that carry the workers' comp for the construction companies.

As a licensed general contractor in the state of California, which by the way, has some of the most stringent contractor license laws, I was not required to carry workers' comp insurance UNTIL I hired employees. At that time I carried the insurance, as is required by law. But when my business direction changed and I laid off my employees and again was operating my business alone, I did not have to carry workers comp. I believe it is an oversight in the law, that requires a sole proprietor contractor who has no employees to carry the insurance.

Right now the construction industry is booming on Guam. There is more than enough room for more contractors on Guam. I urge you to report this Bill out of Committee favorably and ask that the Legislature pass this Bill and the Governor to sign it.

Bill 486 addresses the minimum age requirement for a contractor's license. There are many young men and women who would like to be self-employed, especially in the "handyman" or remodeling category. If the age of 18 is enacted, and the requirement for workers' comp insurance removed for sole proprietor construction firms, it would encourage more people to start their own construction firms. I believe the language on amending Sect. 10510(6) is more accurate in Bill 471, than in Bill 486.

August 14, 1991

Senator Elizabeth P. Arriola, Chairperson
Committee on Youth, Senior Citizens
and Cultural Affairs
Twenty-First Guam Legislature
155 Hessler Street
Agana, Guam 96910

Dear Senator Arriola:

I am in support of Bill Nos. 486 and 471 because 18 years of age is considered an adult by law and so amending the age of 20 to 18 years or more as the age requirements in order to be a contractor, is rational and the best interest for our young adults to be given opportunities in the construction industry.

As for amending Section 10510(6), I do agree that contractors that are sole proprietors without any employees in its payroll and who works by himself should not be required to obtain worker's compensation insurance because this insurance is for the protection of the workers and not the owners. The insurance rates for sole-proprietor single person contractor is high and not practical even though it's required by our current law. Presently, I advise single person contractor to hire a secretary or worker on a part-time or a full-time employee in order to be in compliance with our current law. If contractors have one or more employees, it is practical and required by law to obtain workmen's compensation insurance for the protection of the construction industry workers.

I recommend that Section 10510(6) of Bill Nos. 486 and 471 be consolidated in order to make it more effective and practical for sole proprietor single person contractor prevalent in the specialized fields of construction like

August 14, 1991
Page 2

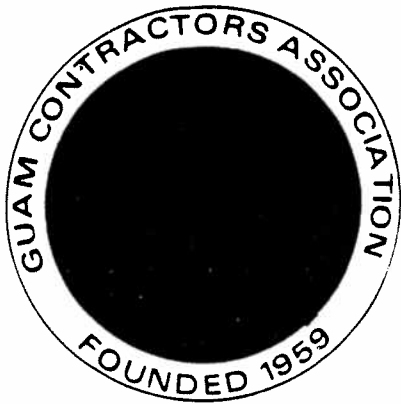
plumbers, electricians, carpenters, etc., entitled as specialty contractors and even some general engineering contractors and general building contractors who are just starting out their own business.

Your favorable action on Bill Nos. 486 and 471 will be greatly appreciated.

Sincerely,

Anthony C. Leon Guerrero
ANTHONY C. LEON GUERRERO
Executive Secretary
(Registrar)

ACLG/po
L23



GUAM CONTRACTORS' ASSOCIATION

August 20, 1991

Senator Elizabeth Arriola
Chairperson, Youth, Senior Citizens & Cultural Affairs
21st Guam Legislature
Agana, Guam 96910

RE: Bill No. 471, An Act to Amend P. L. 14-5 Subsection 10510 (6)
to Exempt Sole Proprietor Contractors from the Worker's Com-
pensation Insurance Requirement.

Dear Madame Senator and Committee Members:

Thank you for this opportunity to testify on Bill No. 471.

We have no objection however, we are wondering how this will be regulated. Sole proprietors may from time to time employ part-time or temporary employees, will they be protected? We feel there is room for abuse and if this bill is passed into law, some mechanism should be in place to protect any potential employees.

Sincerely,

GUAM CONTRACTORS' ASSOCIATION

Thomas Nielsen
President

PACIFIC MANAGEMENT RESOURCE GROUP

A PRIVATE, NON-PROFIT CORPORATION

148 ASPINALL AVENUE
AGANA, GUAM 96910
(671) 472-6736
FAX (671) 472-6412

P.O. Box 528
SAIPAN, COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS
(670) 723-6615
FAX (670) 234-3969

8/15/91

E. L. GIBSON
EXECUTIVE DIRECTOR

Elizabeth P. Arriola
Committee on Youth, Senior Citizens
and Cultural Affairs
Guam Legislature
155 Hesler St.
Agana, GU 96910

August 14, 1991

Dear Senator Arriola,


This will acknowledge your invitation to the public hearing
on Bills 499 and ~~347~~.

471

I will attend the hearing and support Bill 499; there is a
clear need to tighten up the rules that pertain to alien workers.

We cannot support the proposal to exempt sole proprietors
from our Worker's Compensation law. Bill 471 is poorly drafted.
It does not say (I hope) what the sponsor intends the bill to
remedy. If the Legislature exempts sole proprietors from
Worker's Compensation laws, sole proprietorships will soon be
outnumber all other kinds of business enterprises -- partnerships
and corporations -- in Guam. It should be re-written to meet the
needs of individual, independent contractors or individual,
independent operators who are the sole employee of a licensed
business enterprise.

Sincerely,


Bill Gibson
Executive Director
Guam Employers Council

Dear Senator "Viola"

8/19/91

8/19/81

I would like to take this opportunity to make this comment.

I feel a change in this portion of public law 14-51, would be beneficial to the small one man operation which is at this present time required by law to carry workman's compensation insurance even if no other employees are involved in this business.

I myself have been quoted premiums as high as 3,000 plus payable all up front just to obtain my license. Some companies refuse to even consider me because my business was too small.

as I am required by public law 14-51 to carry this policy in order for me to obtain my license to operate as a contractor.

The passage of bill # 417 will help small one man operations who are now at the mercy of the insurance company's. for a policy that is a financial burden that we do not need and creates one more hassle to deal with when all we wish to do is our work.

In as much as I agree with current law only to the extent that employees should be covered and protected in the event an accident should occur on the job.

P.O. Box 12551

MANY THANKS



WORKER'S COMPENSATION COMMISSION

Department of Labor
Government of Guam

21 August, 1991

To: **SENATOR ELIZABETH P. ARRIOLA**
Chairperson
Committee on Youth, Senior Citizens,
Cultural Affairs and Human Resources

From: **EDWARD A. GUERRERO**
Director of Labor
ex-officio Commissioner
Worker's Compensation Commission

Subject: **Testimony on Bill No. 471**

The Department of Labor and the Worker's Compensation Commission take this opportunity to present its testimony on Bill No. 471.

The Department and the Commission have always been puzzled by the literal interpretation of Section 10510 (6) by the Guam Contractor's Licensing Board in requiring any person, regardless of employer status, to obtain workers' compensation coverage.

It is this Department's and this Commission's position that workers' compensation insurance policies become statutorily requisite under the Worker's Compensation Law only for the person whose status is that of an employers and not merely a licensee.

The Board's rationale in developing this line of reasoning, although neither palatable nor acceptable in a modern democracy, is understandable; i.e. to ensure that license applicants who might become employers are insured for workers' compensation. It is apparent that Board investigators have documented uninsured non-employer licensees becoming uninsured employers.

The Department and the Commission does not intend to trespass into either the machination or jurisdiction of another regulatory agency. However, the prevailing interpretation is akin to legislating that all persons who ride in vehicles obtain a driver's license because they might drive the vehicle.

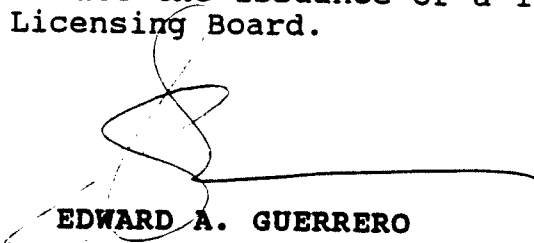
SENATOR ELIZABETH P. ARRIOLA
Chairperson
Committee on Youth, Senior Citizens,
Cultural Affairs and Human Resources
Testimony on Bill No. 471
21 August, 1991

It must be noted that there are regulatory procedures and mechanisms in place which were created to address issues of non-compliance with regulatory processes. The general license populace should not be held hostage for the misconduct of the few.

Although Bill No. 471 endeavors to correct his seeming injustice to non-employers, its suggested language should be simplified to attenuate future demand for legal interpretation. The following language for Section 10510 (6) is proposed as a substitute:

(6) Any person who is an employer as defined by the Worker's Compensation Law unless he submits satisfactory proof that he has a current workers' compensation insurance policy.

Thus would be corrected the injustice to non-employer licensees of being required to purchase policies that do nothing more than to facilitate the issuance of a license by the Guam Contractor's Licensing Board.



EDWARD A. GUERRERO

**TESTIMONY OF JOE R. SAN AGUSTIN
ON BILL 486
Public Hearing of the Committee on
Youth, Senior Citizens and Cultural Affairs
Wednesday, August 21, 1991**

Madam Chairwoman and members of the Committee on Education:

I appear before you today to give a testimony on Bill 486, introduced by Senator Eddie Duenas, who is a member of this Committee himself but who is unable to be present because he is presently in Washington, D.C. on official business. I spoke with the Senator a few days ago by long distance telephone and he wishes me to express to you his sincere regrets that he cannot be with his colleagues for this hearing.

Bill 486 proposes to make two changes in the existing law (GC §10510).

First, the bill proposes to change the minimum age of an applicant for a contractor's license from 20 to 18. Since age 18 is the age which the law generally acknowledges a person to be an adult for most purposes, it seems only appropriate to grant the privilege of obtaining a contractor's license to a qualified 18-year old entrepreneur. Furthermore, it would certainly encourage more of our young people to enter the building and construction industry.

Secondly, the bill proposes to lift the requirement of acquiring workmen's compensation insurance to an applicant, if the applicant is a person (or a company) who does not have employees in its payroll. The whole purpose behind the the workmen's compensation program is provide protection to employees of a company against injury on the job, and where a company does not have employees, it appears inappropriate to require the person, or the company, to still obtain the required insurance.

Guam is presently going through a boom in the construction and building industry, and it behooves the Government of Guam to encourage people to embark in this industry. Certainly, lifting up those restrictions will encourage more people to participate in this boom.

Thank you for the opportunity to testify on Bill 486.


Introduced

AUG 27 '91

TWENTY-FIRST GUAM LEGISLATURE
1991 (First) Regular Session

Bill No. 471 (COR)

Introduced by:

G. Mailloux 

**AN ACT TO AMEND P.L. 14-51 SUBSECTION 10510 (6) TO
EXEMPT SOLE PROPRIETOR CONTRACTORS FROM THE WORKER'S
COMPENSATION INSURANCE REQUIREMENT.**

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

2 Section 1. Legislative Findings. The Contractors
3 License Board finds many one-person contracting firms
4 have been unnecessarily burden with the requirement that
5 they carry worker's compensation insurance. These firms,
6 in fact, have no employees and do all the contracting work
7 themselves. Insurance rates continue to rise and the sole
8 proprietor single-person contractor is required to pay for
9 insurance he will never use, because of the current law.

10 Section 2. Therefore, P.L. 14-51, Subsection 10501 (6) is
11 amended to read:

12 (6) Any person unless he submits satisfactory proof to the
13 Contractors License Board that he has obtained worker's
14 compensation insurance; except such person who is a sole
15 proprietor with no employees and who works by himself."