



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
L'ESINAN I MAGA LAHI
AGANA, GUAM 96910 U.S.A.

RECEIVED
OFFICE OF THE SPEAKER
DATE: 9/27/93
TIME: 4:55pm
REQD BY: [Signature]

SEP 27 1993

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

Dear Mr. Speaker:

Transmitted herewith is Bill No. 588 which I have signed into law this date as
Public Law 22-32.

Sincerely yours,

Joseph F. Ada
JOSEPH F. ADA
Governor of Guam

220363

Attachment

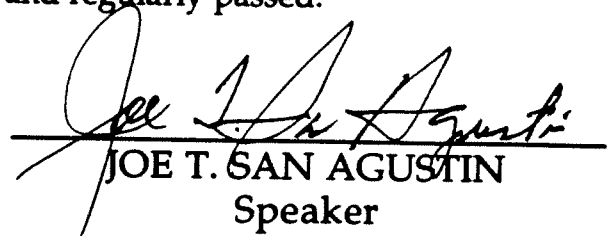


Commonwealth Now!


TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

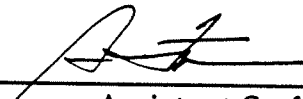
This is to certify that Substitute Bill No. 588 (LS), "AN ACT TO AMEND §30101 OF TITLE 11, GUAM CODE ANNOTATED, TO TEMPORARILY ENACT A LOWER HOTEL OCCUPANCY TAX TO ASSIST IN THE RECOVERY OF THE GUAM VISITOR INDUSTRY; TO IMPLEMENT A GRADUATED HOTEL OCCUPANCY TAX THEREAFTER; TO REQUIRE THE GUAM VISITORS BUREAU TO REPORT ON THE PROGRESS OF THE INDUSTRY; AND TO ALLOW THE BUREAU TO UTILIZE UNENCUMBERED AND UNEXPENDED FUNDS, INCLUDING THE AMOUNT OF REDUCTION MANDATED BY PUBLIC LAW 22-08, FOR EMERGENCY PURPOSES," was on the 15th day of September, 1993, duly and regularly passed.


JOE T. SAN AGUSTIN
Speaker

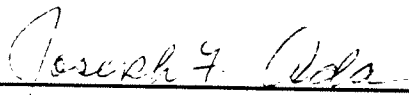
Attested:


PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 17th day of September, 1993, at
10:31 o'clock A.M.


Assistant Staff Officer
Governor's Office

APPROVED:


JOSEPH F. ADA
Governor of Guam

Date: SEP 27 1993

Public Law No. 22-32

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 588 (LS)

As substituted by the Committee on
Ways & Means and the Committee
on Tourism & Transportation and as
further substituted by the Committee
on Rules

Introduced by:

J. P. Aguon
J. T. San Agustin
C. T. C. Gutierrez
J. G. Bamba
T. S. Nelson
T. C. Ada
E. P. Arriola
M. Z. Bordallo
H. D. Dierking
P. C. Lujan
V. C. Pangelinan
E. D. Reyes
D. L. G. Shimizu
A. C. Blaz
D. F. Brooks
F. P. Camacho
M. D. A. Manibusan
D. Parkinson
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO AMEND §30101 OF TITLE 11, GUAM CODE ANNOTATED, TO TEMPORARILY ENACT A LOWER HOTEL OCCUPANCY TAX TO ASSIST IN THE RECOVERY OF THE GUAM VISITOR INDUSTRY; TO IMPLEMENT A GRADUATED HOTEL OCCUPANCY TAX THEREAFTER; TO REQUIRE THE GUAM VISITORS BUREAU TO REPORT ON THE PROGRESS OF THE INDUSTRY; AND TO ALLOW THE BUREAU TO UTILIZE UNENCUMBERED AND UNEXPENDED FUNDS, INCLUDING THE AMOUNT OF

REDUCTION MANDATED BY PUBLIC LAW 22-08, FOR
EMERGENCY PURPOSES.

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

2 **Section 1. Legislative findings and intent.** The Legislature finds that
3 the massive earthquake of August 8, 1993, has created problems within
4 Guam's critically important visitor industry, reducing the number of visitors
5 choosing to come to Guam and also reducing the ability of industry businesses
6 to survive. The Legislature further finds that the earthquake follows a series
7 of setbacks suffered by the industry, including the Gulf War, an economic
8 recession in Japan, a number of devastating typhoons, and recurring power
9 generation problems. Additionally, the Legislature finds that Guam has been
10 competing with numerous other destinations for visitors who have become
11 very price conscious. The high rate of Guam's Hotel Occupancy Tax,
12 combined with the high average cost of Guam's hotel rooms, may be having a
13 negative effect on the overall pricing of Guam as a destination, the higher
14 rates making Guam less competitive and therefore attracting fewer visitors.

15 It is therefore the intent of the Legislature to assist in the recovery of
16 Guam's struggling visitor industry through a temporary reduction in the
17 Hotel Occupancy Tax to make rooms more affordable, to help encourage
18 visitors to visit Guam, and to enable the industry to get back on its feet. It is
19 additionally the intent of the Legislature to convert the Hotel Occupancy Tax
20 to a graduated tax to insure that collections meet the minimum amount
21 necessary to fund the debt service of the infrastructure bonds, the annual
22 budget of the Guam Visitors Bureau ("GVB"), the annual budget of the Guam
23 Community College's tourism training unit, and a reasonable surplus to
24 provide the government of Guam the opportunity to pursue visitor industry-
25 related projects. GVB shall be required to submit a report on the condition of

1 the industry and the effects of the tax reduction so that a determination can
2 be made by the Legislature regarding possible rescission of the conversion to
3 a graduated tax, or keeping it at a level of ten percent (10%).

4 **Section 2.** §30101 of Title 11, Guam Code Annotated, is amended to
5 read:

6 **"§30101. Imposition.** An excise tax is hereby levied and imposed
7 which shall be assessed and collected monthly, against transient occupants
8 of a room or rooms in a hotel, lodging house, or similar facility located in
9 Guam according to the following schedule:

10 (a) From September 1, 1993 through February 28, 1995, the rate shall
11 be ten percent (10%) of the rental price charged or paid per occupancy per
12 day;

13 (b) From March 1, 1995 and thereafter the rate shall be ten percent
14 (10%) of the rental price charged or paid per occupancy per day on rooms
15 rented at a rate of Ninety Dollars (\$90) per day or less, and thirteen
16 percent (13%) of the rental price charged or paid per occupancy per day on
17 rooms rented at a rate of greater than Ninety Dollars (\$90) per day.

18 Under subsections (a) and (b), if the room or rooms are rented more
19 than once within a twenty-four (24) hour period, each time of occupancy
20 shall be subject to the tax for such accommodations.

21 This tax applies and is collectible when the sale is made, regardless
22 of the time when the price is paid or delivered. It shall be paid by the
23 consumer to the operator or owner of the hotel or rooming house facility."

24 **Section 3. GVB report on financial impact of tax reduction.** GVB shall
25 submit to the Governor, to the Speaker of the Legislature, and to the
26 Chairpersons of the Committees on Ways & Means and Tourism &
27 Transportation of the Legislature, no later than November 30, 1994, a report

1 on the financial impact of the provisions of paragraph (a) of §30101, Title 11,
2 Guam Code Annotated, as enacted in Section 2 of this Act, including in the
3 report the effect such tax reduction has had on the visitor industry.

4 **Section 4. Emergency funds.** Notwithstanding any other provision of
5 law, the board of directors of GVB may utilize as the board deems necessary
6 for emergency purposes unencumbered and unexpended funds from GVB's
7 fiscal year 1993 budget appropriation, including the sum reduced through the
8 provisions of Section 1 (b) of Public Law 22-08; provided, however, that the
9 board shall submit to the Governor and the Legislature a report detailing
10 how such emergency funds were expended within thirty (30) days after their
11 expenditure.

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

6

Date: 9/15/93

VOTING SHEET

Bill No. 588
 Resolution No. _____
 Question: _____

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George	✓			
BLAZ, Anthony C.			✓	
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.	✓			
CAMACHO, Felix P.	✓			
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.			✓	
NELSON, Ted S.	✓			
PANGELINAN, Vicente	✓			
PARKINSON, Don		✓		
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francisco R.				
SHIMIZU, David L. G.	✓			
TANAKA, Thomas V. C.	✓			
UNPINGCO, Antonio R.	✓			

TOTAL 17 1 2



Twenty-Second Guam Legislature

155 Hesler Street
Agaña, Guam USA 96910

Tel: (671) 472-3461

Fax: (671) 477-1715

August 24, 1993

Honorable Joe T. San Agustin, Speaker
22nd Guam Legislature
155 Hessler St.
Agaña, Guam 96910

Dear Mr. Speaker,

The Committees on Ways & Means and Tourism & Transportation, to which the following was referred, wishes to report their findings and recommendations:

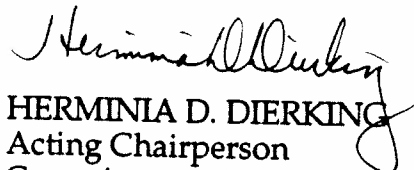
BILL NO. 588 As Substituted by the Committees on Ways & Means and Tourism & Transportation: AN ACT TO AMEND 11 GCA §30101 TO TEMPORARILY ENACT A LOWER HOTEL OCCUPANCY TAX TO ASSIST THE RECOVERY OF THE VISITOR INDUSTRY; TO IMPLEMENT A GRADUATED HOTEL OCCUPANCY TAX THEREAFTER; TO REQUIRE THE GUAM VISITORS BUREAU (GVB) TO REPORT ON THE PROGRESS OF THE INDUSTRY; AND TO ALLOW GVB TO UTILIZE UNENCUMBERED AND UNEXPENDED FUNDS, INCLUDING THE AMOUNT OF REDUCTION MANDATED BY PUBLIC LAW 22-08, FOR EMERGENCY PURPOSES.

The Committees' voting records on substitute Bill No. 588 is as follows:

	Ways & Means	Tourism & Transportation
TO PASS	<u>12</u>	<u>11</u>
NOT TO PASS	<u> </u>	<u>1</u>
TO ABSTAIN	<u>1</u>	<u>1</u>
TO PLACE IN THE INACTIVE FILE	<u> </u>	<u> </u>
NOT VOTING	<u> </u>	<u> </u>

The recommendation of the Committees is to do pass. Copies of the voting sheets, report and all pertinent documents are attached for your information.

Sincerely,



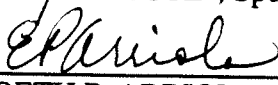
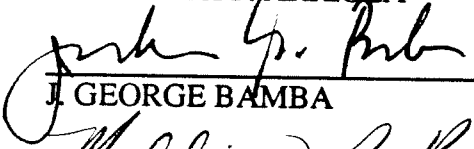


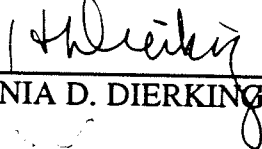


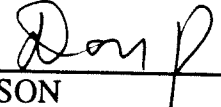
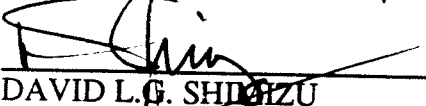

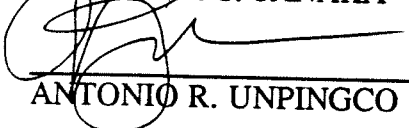

HERMINIA D. DIERKING
Acting Chairperson
Committee on Ways & Means


JOHN PEREZ AGUON
Chairperson
Committee on Tourism & Transportation

Attachments

VOTING SHEET COMMITTEE ON TOURISM & TRANSPORTATION

BILL NO. 588 As Substituted by the Committees on Ways & Means and Tourism & Transportation:
 AN ACT TO AMEND 11 GCA §30101 TO TEMPORARILY ENACT A LOWER HOTEL OCCUPANCY TAX TO ASSIST THE RECOVERY OF THE VISITOR INDUSTRY; TO IMPLEMENT A GRADUATED HOTEL OCCUPANCY TAX THEREAFTER; TO REQUIRE THE GUAM VISITORS BUREAU (GVB) TO REPORT ON THE PROGRESS OF THE INDUSTRY; AND TO ALLOW GVB TO UTILIZE UNENCUMBERED AND UNEXPENDED FUNDS, INCLUDING THE AMOUNT OF REDUCTION MANDATED BY PUBLIC LAW 22-08, FOR EMERGENCY PURPOSES.

	TO PASS	NOT TO PASS	TO ABSTAIN	TO PLACE IN INACTIVE FILE
 _____ JOHN P. AGUON, Chairman	<input checked="" type="checkbox"/>			
_____ CARL GUTIERREZ, Vice Chairman				
 _____ JOE T. SAN AGUSTIN, Speaker	<input checked="" type="checkbox"/>			
 _____ ELIZABETH P. ARRIOLA	<input checked="" type="checkbox"/>			
 _____ J. GEORGE BAMBA	<input checked="" type="checkbox"/>			
 _____ MADELEINE Z. BORDALLO	<input checked="" type="checkbox"/>			
 _____ DORIS F. BROOKS	<input checked="" type="checkbox"/>			
 _____ HERMINIA D. DIERKING	<input checked="" type="checkbox"/>			
 _____ PILAR C. LUJAN	<input checked="" type="checkbox"/>			
 _____ MARILYN D. A. MANIBUSAN			<input checked="" type="checkbox"/>	
 _____ DON PARKINSON		<input checked="" type="checkbox"/>		
 _____ DAVID L.G. SHIGEN	<input checked="" type="checkbox"/>			
 _____ THOMAS V. C. TANAKA	<input checked="" type="checkbox"/>			
 _____ ANTONIO R. UNPINGCO	<input checked="" type="checkbox"/>			