



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

MAY 10 2002

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina Bente Sais na Liheslaturan Guåhan  
Twenty-Sixth Guam Legislature  
Suite 200  
130 Aspal Street  
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>SC</u>
Time	<u>4:46 PM</u>
Date	<u>5/10/02</u>

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 300 (COR) "AN ACT TO ADD A SUBSECTION (n) TO § 9105 OF ARTICLE 1 OF CHAPTER 9 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING GUAM VISITORS' BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED SIX MILLION DOLLARS" which I have signed into law as **Public Law No. 26-83**.

This legislation is necessary to keep our visitor industry promotional campaigns operating at the same level as they already have been. The money that will be borrowed will provide necessary cash to fund the appropriations already given in law to the Guam Visitors Bureau for this year's promotions. We cannot afford to let down our efforts in promotions during the down times in our economy.

While there has been considerable controversy concerning the bill during its legislative debate, some of the controversy has been resolved.

Those leaders of our visitor industry who have given all of their energies, creativity, time, and devotion to making our visitor industry what it is today are the same leaders who determined the necessity of this legislation. For example, the DSF, Inc., led by Mr. Bob Coe, has invested millions of dollars into Guam's visitor industry. Mr. Coe, as a matter of fact, is personally responsible (along with others) for the development of a positive bond rating for Guam during past years, has been an advisor to the Governor and a mover and shaker for our economy. He is responsible also for the end of load-shedding in our power system by participating in "doing what it took" to eliminate this former unacceptable condition on our island. He assisted in the development of "Pleasure Island" in our Tumon visitor area, a well-recognized attraction of the highest quality, as well as the Two Lovers Point development, and the general beautification of our island for our tourists and for our residents alike.

0777

Legislative Secretary  
SB300;PL26-83  
May, 2002  
Page 2

In addition to Mr. Bob Coe, former local DFS executive Mr. Gerry Perez, and Guam businessman Bruce Kloppenberg worked tirelessly to further our tourism market for many years. Former Senator Simon Sanchez has also been using his best efforts in maintaining even the status quo in our visitor industry promotions. As someone knowledgeable about economics, he has actively thrown himself into the effort to keep Guam moving, and has publicly explained and defended the necessity for this legislation in many forums. He moved from public service to the private sector in a seamless effort to keep our economy going, both in office and in private endeavors.

I have the utmost respect for Mr. Bob Coe and for former Senator Simon Sanchez, as well as Mr. Gerry Perez and Mr. Bruce Kloppenberg, in devising and developing a way to keep Guam's promotions for our valuable visitor industry at an even level. There are many businesses interested in the tourism dollar. These dollars will be circulating in our economy and will be keeping our linchpin businesses healthy. There will be more dollars for Guam and for all of our businesses as a result.

Very truly yours,



Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

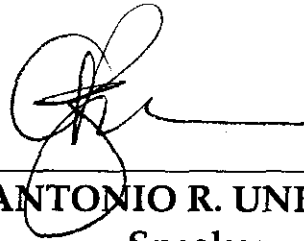
Attachments: original bill for vetoed legislation or  
copy of bill for signed or overridden legislation  
and legislation enacted without signature

cc: The Honorable Antonio R. Unpingco  
Speaker

MINA'BENTE SAIS NA LIHESLATURAN GUAHAN  
2002 (SECOND) Regular Session


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

This is to certify that Bill No. 300 (COR), "AN ACT TO ADD § 9105(n) AND (o); AND TO AMEND § 9113(d); ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED; AND TO AMEND § 16(a)(2) OF CHAPTER III OF P.L. NO. 26-35, RELATIVE TO ALLOWING THE GUAM VISITORS BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED \$6,000,000," was on the 8<sup>th</sup> day of May, 2002, duly and regularly passed.



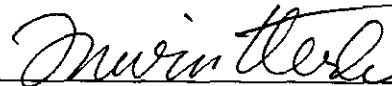
ANTONIO R. UNPINGCO  
Speaker

Attested:



JOANNE M.S. BROWN  
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 10<sup>th</sup> day of May, 2002,  
at 4:00 o'clock P.M.



Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:



CARL T. C. GUTIERREZ  
I Maga'lahaen Guahan

Date: 5/10/02

Public Law No. 26-83

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2002 (SECOND) Regular Session**

**Bill No. 300 (COR)**

As amended by the Committee  
on Tourism, Transportation and  
Economic Development.

Introduced by:

F. P. Camacho  
A. R. Unpingco  
Mark Forbes  
K. S. Moylan  
E. B. Calvo  
J. F. Ada  
T. C. Ada  
F. B. Aguon, Jr.  
J. M.S. Brown  
M. C. Charfauros  
L. F. Kasperbauer  
L. A. Leon Guerrero  
V. C. Pangelinan  
A. L.G. Santos  
J. T. Won Pat

**AN ACT TO ADD § 9105(n) AND (o); AND TO AMEND  
§ 9113(d); ALL OF TITLE 12 OF THE GUAM CODE  
ANNOTATED; AND TO AMEND § 16(a)(2) OF  
CHAPTER III OF P.L. NO. 26-35, RELATIVE TO  
ALLOWING THE GUAM VISITORS BUREAU TO  
ARRANGE A LINE OF CREDIT NOT TO EXCEED  
\$6,000,000.**

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

2           **Section 1. Legislative Findings and Intent.**    *I Liheslaturan Guåhan*  
3           recognizes the tourism industry to be the central element of Guam's economy,  
4           which has been *severely* affected by recent declines in Japanese tourism visitor

1 arrivals and the corresponding losses in our hospitality industry. Industry  
2 experts estimate that Guam will see a drop of almost twenty percent (20%) of  
3 visitor arrivals in 2002, from about one million three hundred thousand  
4 (1,300,000) visitors in 2001, to just over one million (1,000,000) visitors this  
5 year.

6 This reduction in arrivals may lead to substantial losses in government  
7 revenues. Revenue tracking from first quarter (post 9/11/01) arrivals already  
8 show a potential revenue loss of about Twenty-eight Million Dollars  
9 (\$28,000,000) in Gross Receipt Taxes and over Seventy Million Dollars  
10 (\$70,000,000) in income taxes.

11 Since tourism drives over half of these revenue sources, *I Liheslaturan*  
12 *Guåhan* believes that Guam cannot afford to accede a normal recovery pace.  
13 While the tourism industry is showing some signs of recovery after several  
14 rough years and recent setbacks, *I Liheslaturan Guåhan* wishes to fast track  
15 Guam's efforts in rebuilding the industry that drives our employment, tax  
16 base, business receipts and, in the end, our standard of living.

17 In addition, *I Liheslaturan Guåhan* recognizes the need to diversify  
18 Guam's markets to stabilize the tourism industry. Because these goals will be  
19 best achieved by shoring up existing markets, *I Liheslaturan Guåhan* intends to  
20 support efforts to create more focused marketing strategies for Guam's  
21 primary visitor market, Japan. Industry experts have identified the wedding,  
22 office lady, family and group markets as the focus of new campaigns to draw  
23 more visitors to Guam.

1            *I Liheslaturan Guåhan*, therefore, intends to allow the Guam Visitors  
2 Bureau to arrange a line of credit, *not* to exceed Six Million Dollars  
3 (\$6,000,000), for the specific purpose of marketing Guam to certain segments  
4 of the Japanese and Korean public. Marketing strategies have been devised  
5 by a collection of industry and government leaders, and it is the intent of *I*  
6 *Liheslaturan Guåhan* that this line of credit is to be used *only* for these  
7 promotions and *not* for any operation expenses or capital improvements costs.

8            **Section 2.** Section 9105(n) is hereby *added* to Article 1, Chapter 9 of Title  
9 12 of the Guam Code Annotated to read as follows:

10            **“(n) Lines of Credit.** Arrange a line of credit *not* to exceed Six  
11 Million Dollars (\$6,000,000) with any bank, banks or commercial  
12 lending institutions licensed on Guam, government of Guam  
13 autonomous agency and any other instrumentality of the government of  
14 Guam. All agreement terms of the line(s) of credit shall be negotiated  
15 by the Guam Visitors Bureau (‘Bureau’) and approved by the Board in  
16 the best interest of the People of Guam. The terms of any line(s) of  
17 credit agreement shall include the following:

18            (1) *Up to* Five Million Three Hundred Thousand Dollars  
19 (\$5,300,000) of the line of credit shall be used by the Bureau to  
20 promote Guam to specific segments of the Japanese market  
21 through the following campaigns in the following amounts: Three  
22 Million Fifty Thousand Dollars (\$3,050,000) for the Guam  
23 Wedding Campaign; Seven Hundred Forty-eight Thousand  
24 Dollars (\$748,000.00) for the Guam Office Lady Campaign; Eight

1 Hundred Fifty Thousand Dollars (\$850,000.00) for the Guam  
2 Groups Campaign; and Six Hundred Fifty-two Thousand Dollars  
3 (\$652,000.00) for the Guam Family Campaign; and provided, that  
4 the line of credit shall *not* be used to finance Bureau operations or  
5 capital improvement projects. The Bureau shall report to *I*  
6 *Liheslaturan Guåhan* its monthly budget for use of these incentives  
7 *at least* five (5) days *prior* to the beginning of the month.

8 (2) *Up to* Seven Hundred Thousand Dollars (\$700,000.00)  
9 of the line of credit shall be used by the Bureau to promote Guam  
10 to the Korean market; and provided, that the line of credit shall *not*  
11 be used to finance Bureau operations or capital improvement  
12 projects.

13 (3) *Except* for the interest rate per the terms of the line of  
14 credit, no other charge by a lender for opening the line of credit  
15 shall be negotiated by the Finance Committee of the Bureau Board  
16 and approved by the Board through a resolution.

17 (4) The interest rate shall be negotiated between the  
18 Finance Committee of the Bureau Board and the lender, and  
19 approved by the Board through a resolution. Such interest rate  
20 shall be computed on a monthly average and based upon the  
21 actual amount extended to the Bureau.

22 (5) Interest earned by the lender shall be *exempt* from  
23 taxation by the government of Guam.

1           (6) The Bureau, through the approval of the Board  
2 pursuant to § 9113 of Title 12 of the Guam Code Annotated, shall  
3 pledge *only* Tourist Attraction Fund revenues as the source of  
4 repayment for the line(s) of credit. The funds necessary for the  
5 repayment of the principal and interest owed to any bank, banks  
6 or commercial lending institutions licensed on Guam, government  
7 of Guam autonomous agency and any other instrumentality of the  
8 government of Guam that have advanced funds to the Bureau  
9 pursuant to a line(s) of credit established pursuant to this Section,  
10 are appropriated from the Tourist Attraction Fund.

11           (7) Any money advanced through a line(s) of credit shall  
12 be repaid by September 30, 2007. In no case shall any amount be  
13 refinanced resulting in a repayment past September 30, 2007.

14           (8) Funds expended from any line(s) of credit with any  
15 bank, banks or commercial lending institutions licensed on Guam,  
16 government of Guam autonomous agency and any other  
17 instrumentality of the government of Guam will proportionately  
18 decrease the authorized amount established to open such line(s) of  
19 credit as established within this Section."

20       **Section 3.** Section 9105(o) is hereby *added* to Article 1, Chapter 9 of Title  
21 12 of the Guam Code Annotated to read as follows:

22       **"(o) Monetary Valued Handouts.** Any visitor-incentive  
23 monetary valued handouts specific to a marketing campaign of the  
24 Guam Visitors Bureau, funded through the Tourist Attraction Fund or  
25 any other public funding source or legislative appropriation, shall be



1 made available to any Guam-licensed vendor willing to accept the  
2 monetary value of the handout as payment for goods and services.”

3 **Section 4. Tourist Attraction Fund Transfer Exemption.** The  
4 Tourist Attraction Fund is hereby *exempted* from the transfer authority given *I*  
5 *Maga’lahen Guåhan* in § 6 of Public Law Number 26-80.

6 **Section 5.** Section 9113(d) of Article 1, Chapter 9 of Title 12 of the  
7 Guam Code Annotated is hereby *amended* to read as follows:

8 “(d) As a condition to receiving any funds appropriated to the  
9 Bureau by *I Liheslaturan Guåhan* or borrowed pursuant to § 9105(n), the  
10 Bureau shall agree to abide by the off-Guam travel rates and regulations  
11 applicable to government of Guam employees, and shall allow an audit  
12 of all the Bureau’s funds and matching cash, and in-kind contributions  
13 of its membership by the Public Auditor as authorized by Chapter 19 of  
14 Title 12 of the Guam Code Annotated, as amended by § 59 of Public  
15 Law Number 26-76.

16 Should the audit reveal any discrepancies or violations of law or  
17 of the Bureau’s rules and regulations or policies, then the Board shall  
18 take steps to correct the discrepancies and to recover any expenditures  
19 *not* made in accordance with existing laws, rules, regulations or policies.  
20 The Public Auditor shall provide a copy of any audit conducted  
21 pursuant to this Subsection to the Attorney General. Upon the  
22 enactment of this Subsection, an audit of the Bureau shall be conducted  
23 for prior fiscal years.”

1           **Section 6.** Section 16(a)(2) of Chapter III of Public Law Number 26-35 is  
2 hereby *amended* to read as follows:

3                           "Section 16 (a).

4                           (2) International Marketing-Korea                           \$1,400,000"

5           **Section 7.** The Bureau is directed to comply *immediately* with the  
6 requirements of Chapter 19 of Title 12 of the Guam Code Annotated, as  
7 amended by § 59 of Public Law Number 26-76, in cooperating with the Public  
8 Auditor, in obtaining audited financial statements of the Bureau for Fiscal  
9 Years 1999, 2000 and 2001 by July 31, 2002.

10           **Section 8.** Every quarter, the Bureau shall reconcile the current three  
11 (3) months budget for use of these incentives, versus the actual amount of  
12 incentives expended or encumbered pursuant to the incentive plan. Any  
13 unexpended funds due because of the failure to achieve the increase in  
14 tourism arrivals used to justify the monthly incentive budget shall be set aside  
15 in a special escrow account, which shall be *exclusively* used to accelerate the  
16 repayment of the line(s) of credit on a semi-annual basis.

17           **Section 9. Severability.** If any provision of this Law or its  
18 application to any person or circumstance is found to be invalid or contrary to  
19 law, such invalidity shall *not* affect other provisions or applications of this  
20 Law which can be given effect without the invalid provisions or application,  
21 and to this end the provisions of this Law are severable.

**I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN**

2002 (SECOND) Regular Session

Date: 5/8/02

**VOTING SHEET**

Bill No. 300

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

*20-87*

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.		✓			
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.			<i>excused</i>		
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.				✗	✓

TOTAL

12    1    1    1    1

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



THE OFFICE OF  
**Senator Felix P. Camacho**  
TWENTY-SIXTH GUAM LEGISLATURE

April 19, 2002

The Honorable Antonio R. Unpingco  
Speaker  
I Mina' Bente Sais Na Liheslaturan Guahan  
155 Hessler Street  
Hagatna, Guam 96910

Dear Mr. Speaker:

The Committee on Tourism, Transportation and Economic Development, to which was referred **Bill No. 300 (COR)**, "An act to add a subsection (n) to Section 9105, Article 1, Chapter 9, of Title 12 of the Guam Code Annotated, relative to allowing the **Guam Visitor's Bureau to arrange,**" does hereby report back with the recommendation **TO DO PASS AS SUBSTITUTED BY THE COMMITTEE.**

The Committee votes are as follows:

  4   **To Pass**  
      **Not To Pass**  
  3   **To Report Out Only**  
      **To The Inactive File**  
      **Abstained**  
      **Off-Island**  
      **Not Available**

A copy of the Committee Report and all pertinent documents are attached for your information and file.

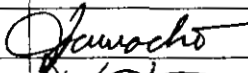

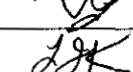
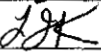
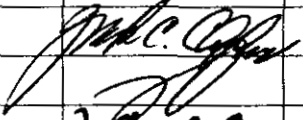
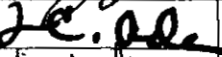

Sincerely,

Felix P. Camacho

## VOTING SHEET

### BILL Bill No. 300

**An act to add a subsection (n) to § 9105, Article 1, Chapter 9, of Title 12 of the Guam Code Annotated, relative to allowing Guam Visitor's Bureau to arrange a line of credit not to exceed Six Million Dollars.**

RECOMMENDATION TO						
COMMITTEE MEMBERS	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
Senator Felix Camacho		✓				
Senator Kaleo Moylan		✓				
Speaker Antonio Unpingco						
Vice Speaker Larry Kasperbauer		X				
Senator Joseph Ada						
Senator Mark Forbes						
Senator Eddie Baza Calvo						
Senator Mark Charfauros		✓				
Senator Ben Pangelinan				✓		
Senator Tom Ada				✓		
Senator Lou Leon Guerrero				✓		

COMMITTEE REPORT

ON

BILL NO. 300 (COR)

“AN ACT TO *ADD* A SUBSECTION (n) TO SECTION 9105, ARTICLE 1, CHAPTER 9, OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING GUAM VISITORS’ BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED SIX MILLION DOLLARS.”

COMMITTEE MEMBERS

Chairman: Felix P. Camacho  
Vice Chairman: Kaleo Moylan  
Ex-Officio Member: Antonio R. Unpingco

Larry Kasperbauer  
Joseph Ada  
Mark Forbes  
Eddie Baza Calvo  
Mark Charfauros  
Ben Pangelinan  
Tom Ada  
Lou Leon Guerrero

## **II. TESTIMONY**

**Bob Coe, President of DFS Pacific Group**, provided written testimony in support of the legislation. He read the testimony for the record and a copy is attached to this report.

**Bartley A. Jackson, Chairman of the Board – Guam Hotel and Restaurant Association**, read written testimony in favor of Bill 300. A copy of this statement is attached.

**Gerry Perez, Chairman of the Guam Visitors Bureau Japan Marketing Committee**, provided written testimony, which he read into the record. A copy of the letter is attached.

### **David Tydingco, GHRA President**

Noting that the previous speakers had provided ample testimony in favor of Bill 300, Mr. Tydingco said he was also appearing to support the legislation. He said the industry was committed to supporting the passage of the bill and working with the Legislature to ensure its passage.

Senator Camacho said the legislation would be amended in committee to include provisions to support marketing efforts in Korea. The total line of credit would remain at \$6 million, with \$5.3 million set aside for the four Japan campaigns with the remaining \$700,000 to be used for marketing in Korea. He further stated that he hoped to have the bill on the next session agenda, with the help of Rules Chairman Senator Forbes.

Senator Won Pat asked *what incentives were included in the four campaigns*. She noticed that some included incentives while others seemed to rely more on marketing, media expenses and ads. Mr. Tydingco said one example was the \$200 family value included in the Family Campaign. He said this incentive was provided by the private sector, which would provide free meals for children with the purchase of the adult meal and other values. Senator Won Pat questioned what the money would be used for; she wanted to know if the part of the \$6 million would be used to purchase the coupon books.

Mr. Coe explained that the total cost of the campaign was about \$13 million, with the private sector providing the remaining amount. He explained the \$6 million would be used to advertise in Japan, for instance by purchasing magazine or newspaper ads, producing materials for the travel industry and other expenses. Some money would be used to provide actual incentives, such as the \$500 gift to couples deciding to marry on Guam with a wedding party of at least 10 people. Senator Forbes noted that the wedding campaign accounted for half of the total \$6 million.

campaigns, because the group was confident that a lender would come forward if legislative support were given.

### **III. FINDINGS**

The Committee finds that Bill No. 300 (COR) “AN ACT TO *ADD* A SUBSECTION (n) TO SECTION 9105, ARTICLE 1, CHAPTER 9, OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING GUAM VISITORS’ BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED SIX MILLION DOLLARS,” will provide the Guam Visitors Bureau with the tools it needs to launch a major marketing effort to boost Guam’s economy.

### **IV. RECOMMENDATIONS**


The Committee on Tourism, Transportation and Economic Development hereby reports out Bill No. 300(COR), “AN ACT TO *ADD* A SUBSECTION (n) TO SECTION 9105, ARTICLE 1, CHAPTER 9, OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING GUAM VISITORS’ BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED SIX MILLION DOLLARS,” as substituted by the Committee on Tourism, Transportation and Economic Development, with the recommendation ***TO DO PASS***.



**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2002 (SECOND) Regular Session**

**Bill No. 300 (COR)**

Introduced by:

F. P. Camacho 

---

**AN ACT TO ADD A SUBSECTION (n) TO SECTION 9105, ARTICLE 1, CHAPTER 9, OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO ALLOWING GUAM VISITORS' BUREAU TO ARRANGE A LINE OF CREDIT NOT TO EXCEED SIX MILLION DOLLARS.**

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

2           **Section 1.                   Legislative Intent.**

3           **Section 2.                   Amendment to Section 9105, Article 1,**  
4                                   **Chapter 9 of Title 12 of the Guam Code**  
5                                   **Annotated relative to a line of credit.**

6           **Section 3.                   Transfer Exemption.**

7           **Section 4.                   Severability.**

8           **Section 1. Legislative Intent.**     *I Liheslaturan Guåhan* recognizes the  
9           tourism industry to be the central element of Guam's economy, which has  
10          been severely affected by recent declines in visitor arrivals and the  
11          corresponding losses in our hospitality industry. Industry experts estimate

1 that Guam will see a drop of almost 20 percent of visitor arrivals in 2002, from about  
2 1.3 million visitors in 2001 to just over 1 million visitors this year.

3 This reduction in arrivals may lead to substantial losses in government  
4 revenues. Revenue tracking from first quarter (post 9/11) arrivals already show a  
5 potential revenue loss of about \$28 million in Gross Receipts Taxes and over \$70  
6 million in income taxes. Since tourism drives over half of these revenue sources, *I*  
7 *Liheslaturan Guåhan* believes that Guam cannot afford to accede to a normal  
8 recovery pace. While the tourism industry is showing some signs of recovery after  
9 several rough years and recent setbacks, *I Liheslaturan Guåhan* wishes to fast track  
10 Guam's efforts in rebuilding the industry that drives our employment, tax base,  
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17 as the focus of new campaigns to draw more visitors to our island.

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21 have been devised by a collection of industry and government leaders, and it is the  
22 intent of *I Liheslaturan Guåhan* that this line of credit is to be used only for these  
23 promotions and not for any operation expenses or capital improvements costs.

24 **Section 2. Amendment.** Subsection (n) is hereby *added* to Section  
25 9105, Article 1, Chapter 9, Title 12 of the Guam Code Annotated to read as follows:

1           **“(n) Line of Credit.** Arrange a line of credit not to exceed Six  
2 Million Dollars (\$6,000,000) with any bank or commercial lending institutions  
3 licensed on Guam, government of Guam autonomous agency and any other  
4 instrumentality of the government of Guam. All terms of the line of credit  
5 agreement shall be negotiated by the Board in the best interest of the people of  
6 Guam. The terms of the line of credit agreement shall include the following:

7           (1) The line of credit shall be used by the Board to promote  
8 Guam to specific markets through the following campaigns: Guam  
9 Wedding Campaign; Guam Office Lady Campaign; Guam Groups  
10 Campaign; and Guam Family Campaign, and provided that the line of  
11 credit shall not be used to finance GVB operations or capital  
12 improvement projects.

13           (2) Except for the interest rate per the terms of the line of credit,  
14 no other charge by a lender for opening the line of credit shall be  
15 accepted by the Board.

16           (3) The interest rate shall be negotiated between the Board and  
17 the lender. Such interest rate shall be computed on a monthly average  
18 and based on the actual amount extended to the Board.

19           (4) Interest earned by the lender shall be exempt from taxation  
20 by the government of Guam.

21           (5) The Board shall pledge only Tourist Attraction Fund  
22 revenues as the source of repayment for the line of credit.

23           (6) Any money borrowed shall be repaid within five (5) years.  
24 In no case shall any amount borrowed be refinanced resulting in a  
25 repayment over more than five (5) years after the loan is made.