

I Mina'Trentai Singko Na Liheslaturan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
10-35 (LS)	James C. Moylan	AN ACT TO AMEND §26403 OF ARTICLE 4, CHAPTER 26, DIVISION 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REDUCING THE RATE OF THE LIQUID FUEL TAX BY (\$0.04) PER GALLON, EFFECTIVE OCTOBER 1, 2019.	1/7/19 11:23 a.m.						

1 *I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*

2 2019 (FIRST) Regular Session

3
4 BILL NO: 10-35 (LS)

5
6 INTRODUCED BY:

7 James C. Moylan 

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9 AN ACT TO AMEND §26403 OF ARTICLE 4, CHAPTER 26, DIVISION
10 2, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO REDUCING
11 THE RATE OF THE LIQUID FUEL TAX BY (\$0.04) PER GALLON,
12 EFFECTIVE OCTOBER 1, 2019.

13
14 BE IT ENACTED BY THE PEOPLE OF GUAM

15
16 SECTION 1. Legislative Intent and Findings.

17
18 *I Liheslaturan Guahan* find's that on January 1, 2018, the rate of the liquid
19 fuel increased by \$0.04 per gallon with the sole objective of increasing the
20 funding that went into the Guam Territorial Highway Fund (GTHF). This
21 fund was created with the intent of providing monies for road construction
22 and repair projects, with monies coming from both the Liquid Fuel Tax and
23 vehicle registrations.

24 However over the years a number of other government expenditures,
25 unrelated to road repairs, were being funded from the GTHF, hence the
26 ability for the fund to serve its intent kept faltering, and road repair and
27 construction projects were being delayed or canceled all together. Thus in
28 2017, *I Liheslaturan Guahan* passed Bill 122-34, that eventually became
29 Public Law 34-44, which increased the rates of the liquid fuel tax. The
30 objective was to provide more monies for road repairs.

2019 JUN -7 AM 11:23 

31 The rate increase was not taken well with the community, as any increase
32 of these rates impacts the cost of fuel at the gas pumps. Island residents
33 were vocal at the public hearing for Bill 122-34, with many suggesting cost
34 cutting measures on those items being funded by the GTHF, and not
35 related to road repairs or construction, before increasing the liquid fuel tax.
36 The rate hike also came at the same time the government was discussing
37 increasing another regressive tax, the business privilege tax, which also
38 would additionally hurt pocket books, thus further creating the cries of the
39 community in not passing the liquid fuel tax increase.

40 *I Liheslaturan Guahan* must prioritize the reduction of this regressive tax to
41 the levels prior to January 1, 2018, because it came at the request of the
42 people of Guam. Furthermore, alternative measures to supplement the
43 funding from the \$0.04 increase must be identified to fulfill the reduction to
44 the GTHF, while *I Liheslaturan Guahan* reassess the current spending in the
45 fund and determines which expenses can be eliminated or transferred to
46 other accounts. *I Maga'haga Guahan* also has the authority granted by
47 Public Law 34-87 to reorganize the government via an executive order,
48 with the sole intent of a cost saving measure, hence the opportunity to find
49 the additional dollars for road repairs.

50 **SECTION 2: § 26403 of Chapter 26, Title 11, Guam Code Annotated is**
51 **hereby *amended* to read as follows:**

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53 **“§ 26403. Rates.**
54
55 Notwithstanding the requirements of § 16311 of Article 3, Chapter 16,
56 Title 3, Guam Code Annotated, and any other provision of law, the
57 following rates shall apply in computing, assessing, and collecting
58 the liquid fuel tax, effective October 1, 2019 ~~January 1, 2018~~:
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60 (a) a tax at the rate of Ten ~~Fourteen~~ Cents (\$0.10) ~~(\$0.14)~~ per
61 gallon on diesel fuel; and

62
63 (b) a tax at the rate of Eleven ~~Fifteen~~ Cents (\$0.11) ~~(\$0.15)~~ per
64 gallon on all other liquid fuel as defined herein *except* liquid
65 fuel used for commercial aviation purposes which is taxed at a
66 rate of Eight Cents (\$0.08) per gallon.”

67
68 **SECTION 3: Effective Date.** This Act *shall* be effective on October 1, 2019.