

*I Mina'trentai Singko Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
218-35 (COR)	James C. Moylan	AN ACT TO AMEND § 58104(f) AND TO ADD § 58104.1, BOTH OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE, AND A DISTRIBUTION, TRANSFORMATION OR FULFILLMENT CENTER INDUSTRY ON GUAM.	10/9/19 9:29 a.m.						

*I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN*  
2019 (FIRST) Regular Session

Bill No. 218-35 (COR)

Introduced by:

James C. Moylan 

**AN ACT TO AMEND § 58104(f) AND TO ADD § 58104.1, BOTH OF CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO CREATING A QUALIFYING CERTIFICATE FOR THE ENTICEMENT AND POTENTIAL ESTABLISHMENT OF A PROCESSING TRADE, AND A DISTRIBUTION, TRANSFORMATION OR FULFILLMENT CENTER INDUSTRY ON GUAM.**

2019 OCT -9 AM 9:29 

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that with Guam's proximity to Asia, we become an ideal destination for industries such as a processing trade and a distribution, transformation or fulfillment center. Not only would enticing such entities to consider investing on Guam be beneficial in terms of stimulating our economy, but there would be a great opportunity of job creation.

However the costs of labor or logistics may be a concern for potential investors, thus the need to create viable incentives to attract such industries to offset such distresses is paramount. The Qualifying Certificate offered by the Guam Economic Development Authority (GEDA) is an ideal tool and can be catered towards the needs or benefits of an entity, while assuring that job creation and other community contributions are prioritized.

1 This legislation does not dictate the benefits to be offered to investors (as  
2 that is a function of GEDA), rather includes new industries into the matrix of  
3 qualified trades for available incentives that can help establish additional economic  
4 activity on island. Processing Trade Companies would essentially import materials  
5 with the intent of assembling or transforming them locally, and then export them to  
6 buyers off island. The attraction of labeling the goods as “Made in Guam, USA”,  
7 may be an enticing factor. As for distribution, transformation, or fulfillment  
8 centers, Guam’s proximity to the Asian region benefits potential tariffs and  
9 timelines, thus allowing the goods to be imported, stored, processed and shipped  
10 from Guam. These types of industries would essentially create many jobs for  
11 island residents.

12 Further, by allowing such industries to apply for incentives may allow local  
13 companies to either invest in such ventures, or seek our outside entities to do the  
14 same. The greatest marketing tool to help manifest new industries on Guam would  
15 be the commerce community on Guam.

16 **Section 2.** § 58104(f) of Chapter 58, Title 12, Guam Code Annotated is  
17 hereby *amended* to read as follows:

18 (f) manufacturing, processing trade company, and/or a distribution  
19 transformation or fulfillment center;

20 For purposes of this Chapter, the following shall be the definitions of a  
21 processing trade company and a distribution, transformation or fulfillment center:

22 (1). a processing trade company which shall import all or part of the  
23 raw and auxiliary materials, parts and components, accessories, and  
24 packaging materials from abroad, and exports the finished product(s) after  
25 processing, transforming or assembly on Guam. At least fifty percent (50%)  
26 of the finished product shall be assembled on Guam to qualify for the  
27 incentives of this Chapter.

1           (2). a distribution, transformation or fulfillment center shall be a  
2           warehouse or specialized building which is stocked with products to be  
3           redistributed to consumers off island, and shall be the processing function of  
4           the order completion structure. They shall also be able to provide services  
5           such as product mixing, cross docking and packaging.

6           **Section 3.** § 58104.1 of Chapter 58, Title 12, Guam Code Annotated is  
7 hereby *added* to read as follows

8           **“§ 58104.1. Approval of New Qualifying Certificates.**

9           Notwithstanding any other provisions of the law, any new or first time  
10          application for a Qualifying Certificate pursuant to §58104 of this Chapter, shall be  
11          approved by I Maga’Haga Guahan, after consent provided by the Authority’s  
12          Board of Directors. Any Qualifying Certificate pursuant to §58104 of this  
13          Chapter, shall be excluded from the approval process of I Liheslaturan Guåhan  
14          pursuant to Public Law 34-116 III:8.”

15          **Section 4. Severability.** If any provision of this Act or its application to  
16 any person or circumstance is found to be invalid or contrary to law, such  
17 invalidity *shall not* affect other provisions or applications of this Act that can be  
18 given effect without the invalid provision or application, and to this end the  
19 provisions of this Act are severable.

20          **Section 5. Effective Date.** The Act *shall* become effective upon enactment.