I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
228-38 (COR)	Jesse A. Lujan Christopher M. Dueñas Frank F. Blas Jr. Vincent A.V. Borja Sabrina Salas Matanane Eulogio Shawn Gumataotao Shelly V. Calvo V. Anthony Ada Tina Rose Muña Barnes Joe S. San Agustin	AN ACT TO *ADD* A NEW ARTICLE 4 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE "ENHANCING TOURISM AESTHETICS PROGRAM."	11/18/25 2:34 p.m.						

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r.v.m.

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 228-38 (COR)

Introduced by:

Jesse A. Lujan
Christopher M. Dueñas
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AN ACT TO *ADD* A NEW ARTICLE 4 TO CHAPTER 58, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING THE "ENHANCING TOURISM AESTHETICS PROGRAM".

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that the visual condition of Guam's commercial buildings and public-facing business establishments has a direct and significant impact on the island's tourism image, property values, and community pride. Nearly every village in Guam contributes to the visitor experience, whether through hotels, restaurants, retail corridors, or scenic coastal businesses. Encouraging private investment in exterior beautification, façade renovation, signage improvement, and landscaping will not only elevate Guam's visual appeal but also stimulate small business activity, strengthen local employment in construction and creative trades, and promote a cleaner, more attractive environment for both residents and visitors.

I Liheslaturan Guåhan further finds that this program supports Guam's long-term economic diversification goals by enhancing the island's competitiveness as a tourism and business destination. While existing hotel incentive programs pursuant to Article 2 of this Chapter target large-scale development, this measure extends similar opportunities to small and medium enterprises that make up the fabric of Guam's commercial landscape. By modernizing storefronts and public-facing structures, this Act ensures that economic growth and aesthetic improvement occur together in every district.

It is the intent of *I Liheslaturan Guåhan* to establish a flexible, performance-based tax incentive program that promotes responsible private-sector investment, while maintaining fiscal discipline through an annual program cap, per-applicant limitations, a five-year sunset provision, and mandatory evaluation. This Act is designed to enhance Guam's image, stimulate local trades, and foster pride in our island's visual identity.

Section 2. A new Article 4 is hereby *added* to Chapter 58, Title 12, Guam Code Annotated, to read as follows:

ARTICLE 4

ENHANCING TOURISM AESTHETICS PROGRAM

§ 58401. Short Title.

§ 58402. Definitions.

§ 58403. Scope and Purpose.

§ 58404. Tax Incentive Menu Options.

§ 58405. Application and Approval Process.

§ 58406. Program Caps and Sunset Provision.

§ 58407. Recapture and Enforcement.

§ 58401. Short Title.

This Article shall be cited as the "Enhancing Tourism Aesthetics Program" (hereinafter referred to as the "Program").

§ 58402. Definitions.

For purposes pursuant to Article 4 of this Chapter:

(a) "Agency" means the Guam Economic Development Authority (GEDA).

(b) "Qualified Business" or "Qualified Commercial Structure" means any commercial entity operating on Guam that:

(1) Is current on all tax obligations to the Government of Guam; and

(2) Holds all licenses and permits necessary for lawful operation.

(c) "Qualified Improvement" means any exterior renovation, façade restoration, landscaping, signage, lighting, or other aesthetic enhancement visible from a public right-of-way or frequented by visitors and residents, which enhances the tourism and community environment of Guam.

(d) "Project Cost" means the verified total cost of materials, labor, and professional services directly related to a qualified improvement.

(e) "Applicant" means either the property owner or a tenant with written consent from the property owner.

§ 58403. Scope and Purpose.

The Program shall apply island-wide to qualified commercial structures that are visible to the public and contribute to Guam's tourism image and community environment. GEDA shall assign priority consideration to projects located within designated tourism and village revitalization corridors, including but not limited to *Tumon*, *Hagåtña*, along Guam Highway 1 (Marine Corps Drive), and other high-visibility commercial areas.

§ 58404. Tax Incentive Menu Options.

(a) A qualified business may apply for tax incentives under one or more of the following categories, subject to verification and fiscal caps:

(1) Business Privilege Tax Credit: A credit against the unpledged portion of the Business Privilege Tax (BPT) owed.

(2) Real Property Tax Abatement: A one hundred percent (100%) abatement for up to three (3) years on the assessed value of improvements to the property.

(3) Use Tax Exemption: A one hundred percent (100%) exemption on materials, equipment, and fixtures imported for use in the approved improvement, if claimed within one (1) year of completion.

(b) The aggregate incentive value issued to any applicant shall not exceed twenty-five percent (25%) of verified project cost or Two Hundred Fifty Thousand Dollars ($250,000), whichever is less.

(c) Approved credits not fully utilized in the first tax year may be carried forward for up to two (2) subsequent tax years.

§ 58405. Application and Approval Process.

(a) A qualified business shall submit an application to GEDA prior to commencing construction, including project description, cost estimates, timeline, renderings, proof of tax compliance, and, if applicable, written consent from the property owner.

(b) GEDA shall evaluate based on visual impact, contribution to tourism, environmental sustainability, compliance with building and zoning codes, and use of local labor.

(c) GEDA may approve, modify, or deny applications and shall issue a Tax Incentive Certificate upon completion.

(d) Credits may be released fifty percent (50%) upon verified completion and fifty percent (50%) after one (1) year, contingent upon continued maintenance.

(e) Each recipient shall maintain the approved improvements in good visual and structural condition for not less than three (3) years following completion and shall submit an annual self-certification of compliance to GEDA.

§ 58406. Program Caps and Sunset Provision.

(a) The aggregate value of all incentives issued under this Article shall not exceed Five Million Dollars ($5,000,000) per fiscal year.

(b) Unused credits, not exceeding Two Hundred Fifty Thousand Dollars ($250,000), may be carried forward for one (1) additional fiscal year.

(c) No single applicant or affiliated group shall receive incentives exceeding the per-applicant cap established pursuant to § 58404(b) of this Article.

(d) This Article shall expire five (5) years after enactment unless reauthorized by *I Liheslaturan Guåhan*.

(e) GEDA shall submit a comprehensive evaluation to the Governor and *I Liheslaturan Guåhan* six (6) months before sunset, including total incentives issued, private investment leveraged, jobs created, geographic distribution, and measurable tourism or business impact indicators.

§ 58407. Recapture and Enforcement.

GEDA and the Department of Revenue and Taxation (DRT) may recapture any incentives if improvements are incomplete, not maintained for three years, or transferred without approval. Recaptured amounts shall be treated as unpaid tax liabilities.

§ 58408. Rulemaking and Coordination.

GEDA shall promulgate rules pursuant to this Article within One Hundred Twenty (120) days from enactment, in consultation with DRT, Department of Administration (DOA), Department of Public Works (DPW), the Mayors Council of Guam (MCOG), Guam Historic Preservation Office (GHPO), and Guam Environmental Protection Agency (GEPA). Agencies shall enter a Memorandum of Understanding (MOU) for coordinated oversight. Rulemaking shall include procedures for scoring, inspection standards, and the form of the Tax Incentive Certificate.

§ 58409. Reporting and Transparency.

GEDA shall submit an annual report to *I Liheslaturan Guåhan* detailing the applications received, the private investment leveraged, the incentives issued by type, the geographic distribution, and economic impact. A public list of approved applicants shall be published on its official website.

§ 58410. Allocation for GEDA.

GEDA may allocate up to two percent (2%) of the total value of tax incentives authorized under this Article within each fiscal year for administrative, verification, and reporting expenses. This administrative allocation shall be considered part of the overall annual program's cap established pursuant to §58406 of this Article and shall not be charged to or deducted from any applicant's approved incentive amount.

§ 58411. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or inorganic, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 3. Effective Date. This Act shall become effective upon enactment.