

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

| <b>BILL NO.</b> | <b>SPONSOR</b>     | <b>TITLE</b>   | <b>DATE INTRODUCED</b> | <b>DATE REFERRED</b> | <b>CMTE REFERRED</b> | <b>FISCAL NOTES</b> | <b>PUBLIC HEARING DATE</b> | <b>DATE COMMITTEE REPORT FILED</b> | <b>NOTES</b> |
|-----------------|--------------------|--|------------------------|----------------------|----------------------|---------------------|----------------------------|------------------------------------|--------------|
| 4-38 (COR)      | Joe S. San Agustin | AN ACT TO <i>ADD</i> A NEW § 3122 TO ARTICLE 1, CHAPTER 3, TITLE 22, GUAM CODE ANNOTATED RELATIVE TO ENHANCING THE LOCAL MINIMUM WAGE OF GUAM. | 1/13/25<br>8:00 a.m.   |                      |                      |                     |                            |                                    |              |

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

**Bill No. 4-38 (COR)**

Introduced by:

Joe S. San Agustin



**AN ACT TO ADD A NEW § 3122 TO ARTICLE 1,  
CHAPTER 3, TITLE 22, GUAM CODE ANNOTATED  
RELATIVE TO ENHANCING THE LOCAL MINIMUM  
WAGE OF GUAM.**

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

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that the current minimum wage was increased to \$9.25 per hour effective on September 1, 2021, according to P.L. 36-001. However, the current local minimum wage does not adequately reflect the rising cost of living in Guam. According to the Consumer Price Index (CPI), the percentage change for all items from the first to second quarter of CY2024 saw a 4.0% increase in cost. This disparity between wages and the cost of living creates economic hardship for middle to low-wage workers, hindering their ability to meet basic needs such as housing, food, and healthcare.

*I Liheslaturan Guåhan* finds that the cost of living on Guam continues to increase driven by factors such as inflation which effect rising housing costs, and essential goods and services. Having an annual adjustment ensures that minimum wage keeps pace with the economic realities and allows workers to maintain a basic standard of living. *I Liheslaturan* further finds that adjusting the minimum wage to the Consumer Price Index is a practice employed by numerous other states, including California, Washington, Massachusetts, and Oregon.

1 To address this issue and ensure that Guam's workforce is fairly compensated,  
2 *I Liheslaturan* intent is to establish an adjustment mechanism tied to the increases  
3 seen in the Consumer Price Index (CPI) for Guam and adjusted for inflation as well.  
4 This adjustment will help maintain the purchasing power of minimum wage earners  
5 and prevent them from falling further behind the cost of living.

6 **Section 2.** A new § 3122 is hereby *added* to Article 1, Chapter 3, Title 22,  
7 Guam Code Annotated to read:

8 **“§ 3122. Minimum Wage Adjustment Based on Consumer Price Index**  
9 **(CPI).** On every December 31st, the Department of Labor (DOL) or Bureau of  
10 Statistics and Plans (BSP) will provide a calculation on the adjusted minimum wage  
11 rate determined by the Fiscal Year Consumer Price Index (CPI) average and rate of  
12 inflation to maintain employee purchasing power. The adjusted minimum wage rate  
13 shall be calculated to the nearest twenty-five cents (\$0.25) using the Guam  
14 Consumer Price Index (CPI) or a successor index, for the twelve months prior to  
15 each December 1st as calculated by the Bureau of Statistics and Plans or the  
16 Department of Labor. The adjusted minimum wage rate calculated under this  
17 subsection §3122 takes effect on the proceeding March 1<sup>st</sup>.

18 (a) If the rate of change in the averages of the Guam Bureau of Statistics and  
19 Plans Consumer Price Index (CPI) is negative, there shall be no increase  
20 or decrease in the minimum wage pursuant to this subsection on the  
21 proceeding March 1<sup>st</sup>.

22 (b) The minimum wage of Guam will be either the local adjusted rate based  
23 on the calculation given by BSP or DOL that is inclusive of the CPI and  
24 inflation or the federal minimum wage rate, whichever is greater, pursuant  
25 to § 3121 of this article.

26 **Section 3. Severability.** If any provision of this Act or its application to  
27 any person or circumstance is found to be invalid or inorganic, such invalidity shall

1 not affect other provisions or applications of this Act that can be given effect without  
2 the invalid provision or application, and to this end the provisions of this Act are  
3 severable.

4 **Section 4. Effective Date.** This Act shall be effective upon enactment.