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
88-38 (COR)	Telo T. Taitague Sabina Flores Perez Therese M. Terlaje Chris Barnett Shelly V. Calvo V. Anthony Ada	AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS.	3/10/25 11:40 a.m.	3/19/25	Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement.	3/17/25	4/29/25	5/12/25 As Amended.	

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

Ste. 407 DNA Building
2238 Archbishop Flores St.
Hagatna, Guam 96910
(671) 989-8356
senatortelot@gmail.com

I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

May 9, 2025

The Honorable Frank F. Blas Jr.
Speaker
I Mina'trentai Ocho na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

VIA: Honorable Vice Speaker V. Anthony Ada
Chairperson, Committee on Rules

RE: Committee Report on Bill No. 88-38 (COR) - As Amended

Buenas yan Håfa adai, Speaker Blas

Transmitted herewith is the Committee Report on Bill No. 88-38 (COR), As amended by the Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections and Retirement- *Introduced by Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada* - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

Committee votes are as follows:

3	TO DO PASS
0	TO NOT PASS
1	TO REPORT OUT ONLY
0	TO ABSTAIN
0	TO PLACE IN INACTIVE FILE

COMMITTEE ON RULES
RECEIVED:
May 9, 2025 10:26 a.m.
Marie Crisostomo

Sincerely,

TELO T. TAITAGUE
Senator

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

COMMITTEE REPORT

BILL NO. 88-38 (COR), *AS AMENDED*

SPONSORED BY:
Tel T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada

"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

May 9, 2025

MEMORANDUM:

TO: **All Members**
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

FROM: **Senator Telo T. Taitague**
Committee Chairperson

SUBJECT: **Committee Report on Bill No.**

Transmitted herewith for your consideration is the Committee Report on **Bill No. 88-38 (COR)** – *Introduced by Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada* - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

This report includes the following:

- Copy of COR Referral of Bill No. 88-38 (COR)
- Notice of Public Hearing
- Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Written Testimonies and Additional Documents
- Committee Vote Sheet and E-mails
- Committee Report Digest
- Copy of Bill No. 88-38 (COR), As Introduced
- Copy of Bill No. 88-38 (COR), As Amended
- Copy of Bill No. 88-38 (COR), with Committee Markup
- Copy of Fiscal Note from the Bureau of Budget & Management Research

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Si Yu'os ma'åse'!

Senator Telo T. Taitague - *Chairperson*

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

March 19, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Vice Speaker V. Anthony Ada**
Chairperson, Committee on Rules

Subject: **Referral of Bill No. 88-38 (COR)**

Håfa Adai,

As per my authority as Chairperson of the Committee on Rules and subject to §6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 88-38 (COR)** Telo T. Taitague, Sabina Flores Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada. – "AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."

Please ensure that the subject bill is referred to the Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement chaired by Senator Telo T. Taitague. I also request that the same be copied to the Prime Sponsor of the subject bill and to Management Information Services (MIS) for posting on our website.

A copy of the bill is available on our legislative website.

Should you have any questions or concerns, please feel free to contact Kamarin Nelson, Committee on Rules Director at 671-472-2461.

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations,
Regulatory Affairs, Technology, Justice, Elections, and Retirement

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Hagatna, Guam 96910
(671) 989-8356
senatortelot@gmail.com

I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

April 22, 2025

MEMORANDUM

To: **All Senators, Stakeholders and Media**

From: **Senator Telo T. Taitague**

Subject: **FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.**

Håfa Adai!

Please be advised that the *Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retiremen*t will conduct a public hearing on **Tuesday April 29, 2025 at 2:00 p.m.** at the Guam Congress Building in the Public Hearing Room. The Committee will hear and accept testimonies of the following items:

AGENDA FOR 2:00PM:

I. **Bill No. 33-38 (COR) -** V. Anthony Ada, Christopher M. Dueñas, Frank Blas, Jr., William A. Parkinson, Joe S. San Agustin, Jesse A. Lujan, Chris Barnett, Sabina F. Perez, Sabrina Salas Matanane, Tina Rose Muña Barnes, Shelly V. Calvo – "**AN ACT TO *AMEND* §§ 25.15(a)(2) AND 25.20(a)(2) OF CHAPTER 25, TITLE 9 AND §715(h)(7) OF CHAPTER 7 TITLE 1 GUAM CODE ANNOTATED RELATIVE TO EXPANSION OF THE ELEMENTS FOR FIRST AND SECOND DEGREE CRIMINAL SEXUAL CONDUCT.**"

II. **Bill No. 88-38 (COR) –** Tele T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

III. **Bill No. 75-38 (COR)** – Frank F. Blas, Jr. - **AN ACT TO AMEND §3101(b) OF CHAPTER 3, TITLE 16 GUAM CODE ANNOTATED; RELATIVE TO EXEMPTING NON-**

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RESIDENT ACTIVE-DUTY SERVICE MEMBERS AND THEIR DEPENDENTS FROM DRIVER'S LICENSING REQUIREMENTS.

IV. **Bill No. 97-38 (LS) -** Frank F. Blas Jr., Telo T. Taitague **– "AN ACT TO REPEAL AND REENACT CHAPTER 11 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND §45.30(b) AND §45.40 OF CHAPTER 45, TITLE 8, GUAM CODE ANNOTATED; RELATIVE TO THE REORGANIZATION OF THE GUAM PUBLIC DEFENDER SERVICE CORPORATION TO PROVIDE EFFECTIVE LEGAL AID AND SERVICES TO PERSONS WHO ARE ENTITLED TO COUNSEL UNDER THE ORGANIC ACT OF GUAM, THE LAWS OF GUAM, AND THE UNITED STATES CONSTITUTION AND TO CITE THIS ACT AS THE "GUAM PUBLIC DEFENDER SERVICE CORPORATION ACT OF 2025."**

If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Senator Telo T. Taitague via electronic mail at senatortelot@gmail.com or call (671) 989-8356.

In compliance with the Americans with Disabilities Act (ADA), individuals requiring assistance of accommodation should contact the Office of Senator Telo T. Taitague at (671) 989-8356 or email senatortelot@gmail.com .

The hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117, and stream online via *I Liheslaturan Guåhan's* live feed on YouTube https://www.youtube.com/@GuamLegislatureMedia/streams. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing.

Notice of this Hearing is also available on the Government of Guam Public Notice Portal.

We are looking forward to your participation!

Respectfully

Senator Telo T. Taitague
Chairperson

Gmail

Senator Telo Taitague <senatortelot@gmail.com>

FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

2 messages

Senator Telo Taitague <senatortelot@gmail.com> 22 April 2025 at 09:42
To: phnotice@guamlegislature.gov

April 22, 2025

MEMORANDUM

To: All Senators, Stakeholders and Media

From: Senator Telo T. Taitague

Subject: FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

Håfa Adai!

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FROM DRIVER'S LICENSING REQUIREMENTS.

IV. Bill No. 97-38 (LS) - Frank F. Blas Jr., Telo T. Taitague **– "AN ACT TO REPEAL AND REENACT CHAPTER 11 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND §45.30(b) AND §45.40 OF CHAPTER 45, TITLE 8, GUAM CODE ANNOTATED; RELATIVE TO THE REORGANIZATION OF THE GUAM PUBLIC DEFENDER SERVICE CORPORATION TO PROVIDE EFFECTIVE LEGAL AID AND SERVICES TO PERSONS WHO ARE ENTITLED TO COUNSEL UNDER THE ORGANIC ACT OF GUAM, THE LAWS OF GUAM, AND THE UNITED STATES CONSTITUTION AND TO CITE THIS ACT AS THE "GUAM PUBLIC DEFENDER SERVICE CORPORATION ACT OF 2025."**

If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Senator Telo T. Taitague via electronic mail at senatortelot@gmail.com or call (671) 989-8356.

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Notice of this Hearing is also available on the Government of Guam Public Notice Portal.

We are looking forward to your participation!

Si Yu'os Ma'åse,

Create a Great Day!

Senator Telo T. Taitague
38th Guam Legislature
Chairperson
Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement

Suite 407 DNA Building
238 Archbishop Flores St.
Hagatna, Guam 96910
Tel: (671) 989-8356
Email: senatortelot@gmail.com

5 attachments

4.29.25 First PH Notice MEMO.pdf
469K

Bill No. 33-38 (COR).pdf
1749K

Bill No. 88-38 (COR).pdf
6376K

Bill No. 75-38 (COR).pdf
1067K

Bill No. 97-38 (LS).pdf
1187K

Ed Pocaigue <sgtarms@guamlegislature.gov> 22 April 2025 at 09:53
To: Senator Telo Taitague <senatortelot@gmail.com>

HAfa Adai,

Posted on calendar.

[Quoted text hidden]

--

Edward S. Pocaigue, Jr.
Sergeant-at-Arms

I Mina'trentai Ocho Na Liheslaturan Guåhan
Guam Congress Building, 1st Floor
163 Chalan Santo Papa
Hagåtña, Guam 96910

1-671-969-3514

sgtarms@guamlegislature.gov

FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

PUBLIC HEARING

Posted on: 04/22/2025 08:40 AM

Posted by: Keith Taliugyan

Public Hearing Date: 04/29/2025 02:00 PM

Department(s): GUAM LEGISLATURE (/notices?department_id=92)

Division(s): OFFICE OF SENATOR TELO TAITAGUE (/notices?division_id=282)

Notice Topic(s): PUBLIC HEARING (/notices?topic_id=74)

Types of Notice: PUBLIC HEARING (/notices?type_id=7)

For Audience(s): PUBLIC (/notices?public=1)

Share this notice

April 22, 2025

MEMORANDUM

To: All Senators, Stakeholders and Media

From: Senator Telo T. Taitague

Subject: FIRST NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

Håfa Adai!

Please be advised that the *Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement* will conduct a public hearing on **Tuesday April 29, 2025 at 2:00 p.m.** at the Guam Congress Building in the Public Hearing Room. The Committee will hear and accept testimonies of the following items:

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II. **Bill No. 88-38 (COR) (https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2088-38%20(COR).pdf)** – Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

III. **Bill No. 75-38 (COR) (https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2075-38%20(COR).pdf)**– Frank F. Blas, Jr. - **AN ACT TO AMEND §3101(b) OF CHAPTER 3, TITLE 16 GUAM CODE ANNOTATED; RELATIVE TO EXEMPTING NON-RESIDENT ACTIVE-DUTY SERVICE MEMBERS AND THEIR DEPENDENTS FROM DRIVER'S LICENSING REQUIREMENTS.**

IV. **Bill No. 97-38 (LS) (https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2097-38%20(LS)%20Referred%20Version.pdf) -** Frank F. Blas Jr., Telo T. Taitague **– "AN ACT TO REPEAL AND REENACT CHAPTER 11 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND §45.30(b) AND §45.40 OF CHAPTER 45, TITLE 8, GUAM CODE ANNOTATED; RELATIVE TO THE REORGANIZATION OF THE GUAM PUBLIC DEFENDER SERVICE CORPORATION TO PROVIDE EFFECTIVE LEGAL AID AND SERVICES TO PERSONS WHO ARE ENTITLED TO COUNSEL UNDER THE ORGANIC ACT OF GUAM, THE LAWS OF GUAM, AND THE UNITED STATES CONSTITUTION AND TO CITE THIS ACT AS THE "GUAM PUBLIC DEFENDER SERVICE CORPORATION ACT OF 2025."**

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We are looking forward to your participation!

KUAM COMMUNICATIONS

PO BOX 368, HAGATNA, GUAM 96932
T. +1 671.637.KUAM
F. +1 671.637.9865

New Order | Revised/Add-On | Info. Update

Order Number	
Order Entry Date	
Customer PO #	2538PO128
Product Code	

Advertiser Name: Office of Senator Telo Taitague - 38th Guam Legislature

Address: Suite 407 DNA Bldg; 238 Archbishop Flores St.
Hagatna, Guam 96910

Point of Contact: Keith Taliugyan

RECEIVABLES ACCOUNT

X Cash ___ Trade ___ Other

ORDER DESCRIPTION

PRODUCTION INFORMATION

Cart #: Title: Length:

FOR INTERNAL PURPOSES ONLY

Media Consultant: *Christie SA*

Notary Required YES X NO ___

Billing Per Spot ___ Package X Trade ___

Station	Inc Acct	Rate	Start Date	End Date	AbsTime/Prog. Event	Length	Spot Type	Cart #	M	T	W	TH	F	SA	SU	Per Wk	Total #	Total $

KUAM TV

1x :15 Second Commercial on TV8 or TV11 from 12am - 5:59pm - First Notice **(Air date: 04/22/25)**
1x :15 Second Commercial on TV8 or TV11 from 12am - 5:59pm - First Notice (KUAM Match)
1x :15 Second Commercial on TV8 or TV11 from 12am - 5:59pm - Second Notice **(Air date: 04/25/25)**
1x :15 Second Commercial on TV8 or TV11 from 12am - 5:59pm - Second Notice (KUAM Match)
1x :15 Second TV Production (text and music bed only)

Contract for Public Hearing on Tuesday, April 29, 2025; 1st and 2nd Notice

MONTHLY TOTALS

Jan	Feb	Mar	**Apr** 500	May	June
July	Aug	Sep	Oct	Nov	Dec

SPECIAL INSTRUCTIONS

ORDER TOTALS

Total Spots	PKG
Total Dollars	$ 500.00

TV COMMERCIAL FORMAT: We ask that all commercials be formatted to originate in HD 1920x1080 and conform to a 4x3 pillar for Title Safe dimensions for graphics. These will be downconverted on our SD channels. Should a commercial spot be produced in SD, it should be formatted in 720x486 DI format resolution and will be upconverted on HD Channels (DOCOMO 608 and 611).

RESTRICTIONS: 48-hour deadline is KUAM's quality control to ensure that your advertisement airing meets the highest standards. If there is a rush, KUAM is not responsible for quality and standard concerns on behalf of the client.

PAYMENT IS DUE UPON RECEIPT OF NOTICE. In the event of cancellation of this contract prior to its scheduled expiration date and/or failure to remit payment of invoice[s] within 60 days of invoice date, all spots that have run prior to the cancellation date and/or schedules adhered to will be billed at the Rate Card. Client understands and agrees that a finance charge of 10% per month shall accrue on all accounts remaining unpaid one [1] month after invoice date. Client agrees to pay a USD$25.00 service fee per returned check. There will be a 5% surcharge for all credit card transactions. If payment is not made as required, KUAM may, its option, without notice or demand payment, declare Client's credit account in default, in which case Client's entire balance[s] that are due and payable will be forwarded for collection. Client agrees to accept all consequences and to pay all costs, including attorney's fees, court fees, court costs and other expenses incurred as deemed necessary by KUAM to settle the account.

NON DISCRIMINATION CLAUSE: KUAM/Pacific Telestations, LLC does not discriminate on the basis of race or ethnicity in the placement, scheduling and completion of purchase of advertising. Any order for advertising that includes any such restriction will not be accepted.

4/17/25

ACCEPTED BY CLIENT

Christie San Agustin

ACCEPTED BY STATION

OFFICE OF SENATOR

Telo T. Taitague

CHAIRWOMAN

Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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senatortelot@gmail.com

I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

NOTICE OF PUBLIC HEARING
Tuesday, April 29, 2025 at 2:00 p.m.
Guam Congress Building, Public Hearing Room.

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OFFICE OF SENATOR

Telo T. Taitague

CHAIRWOMAN

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I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

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OFFICE OF SENATOR

Telo T. Taitague

CHAIRWOMAN

Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations,
Regulatory Affairs, Technology, Justice, Elections, and Retirement

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(671) 989-8356
senatortelot@gmail.com

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April 25, 2025

MEMORANDUM

To: **All Senators, Stakeholders and Media**

From: **Senator Telo T. Taitague**

Subject: **SECOND NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.**

Håfa Adai!

Please be advised that the *Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retiremen*t will conduct a public hearing on **Tuesday April 29, 2025 at 2:00 p.m.** at the Guam Congress Building in the Public Hearing Room. The Committee will hear and accept testimonies of the following items:

AGENDA FOR 2:00PM:

I. **Bill No. 33-38 (COR) -** V. Anthony Ada, Christopher M. Dueñas, Frank Blas, Jr., William A. Parkinson, Joe S. San Agustin, Jesse A. Lujan, Chris Barnett, Sabina F. Perez, Sabrina Salas Matanane, Tina Rose Muña Barnes, Shelly V. Calvo – "**AN ACT TO *AMEND* §§ 25.15(a)(2) AND 25.20(a)(2) OF CHAPTER 25, TITLE 9 AND §715(h)(7) OF CHAPTER 7 TITLE 1 GUAM CODE ANNOTATED RELATIVE TO EXPANSION OF THE ELEMENTS FOR FIRST AND SECOND DEGREE CRIMINAL SEXUAL CONDUCT.**"

II. **Bill No. 88-38 (COR) –** Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

III. **Bill No. 75-38 (COR)** – Frank F. Blas, Jr. - **AN ACT TO AMEND §3101(b) OF CHAPTER 3, TITLE 16 GUAM CODE ANNOTATED; RELATIVE TO EXEMPTING NON-**

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RESIDENT ACTIVE-DUTY SERVICE MEMBERS AND THEIR DEPENDENTS FROM DRIVER'S LICENSING REQUIREMENTS.

IV. **Bill No. 97-38 (LS) -** Frank F. Blas Jr., Telo T. Taitague **– "AN ACT TO REPEAL AND REENACT CHAPTER 11 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND §45.30(b) AND §45.40 OF CHAPTER 45, TITLE 8, GUAM CODE ANNOTATED; RELATIVE TO THE REORGANIZATION OF THE GUAM PUBLIC DEFENDER SERVICE CORPORATION TO PROVIDE EFFECTIVE LEGAL AID AND SERVICES TO PERSONS WHO ARE ENTITLED TO COUNSEL UNDER THE ORGANIC ACT OF GUAM, THE LAWS OF GUAM, AND THE UNITED STATES CONSTITUTION AND TO CITE THIS ACT AS THE "GUAM PUBLIC DEFENDER SERVICE CORPORATION ACT OF 2025."**

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Notice of this Hearing is also available on the Government of Guam Public Notice Portal.

We are looking forward to your participation!

Respectfully

Senator Telo T. Taitague
Chairperson

SECOND NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

SECOND NOTICE of Public Hearing – Tuesday April 29, 2025 at 2:00 p.m.

PUBLIC HEARING

Posted on: 04/25/2025 08:26 AM

Posted by: Keith Taliugyan

Public Hearing Date: 04/29/2025 02:00 PM

Department(s): GUAM LEGISLATURE (/notices?department_id=92)

Division(s): OFFICE OF SENATOR TELO TAITAGUE (/notices?division_id=282)

Notice Topic(s): PUBLIC HEARING (/notices?topic_id=74)

Types of Notice: PUBLIC HEARING (/notices?type_id=7)

For Audience(s): PUBLIC (/notices?public=1)

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April 25, 2025

MEMORANDUM

To: All Senators, Stakeholders and Media

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I. **Bill No. 33-38 (COR) (https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2033-38%20(COR).pdf)** - V. Anthony Ada, Christopher M. Dueñas, Frank Blas, Jr., William A. Parkinson, Joe S. San Agustin, Jesse A. Lujan, Chris Barnett, Sabina F. Perez, Sabrina Salas Matanane, Tina Rose Muña Barnes, Shelly V. Calvo – **"AN ACT TO *AMEND* §§ 25.15(a)(2) AND 25.20(a)(2) OF CHAPTER 25, TITLE 9 AND §715(h)(7) OF CHAPTER 7 TITLE 1 GUAM CODE ANNOTATED RELATIVE TO EXPANSION OF THE ELEMENTS FOR FIRST AND SECOND DEGREE CRIMINAL SEXUAL CONDUCT."**

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III. **Bill No. 75-38 (COR)**

(https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2075-38%20(COR).pdf)– Frank F. Blas, Jr. - **AN ACT TO AMEND §3101(b) OF CHAPTER 3, TITLE 16 GUAM CODE ANNOTATED; RELATIVE TO EXEMPTING NON-RESIDENT ACTIVE-DUTY SERVICE MEMBERS AND THEIR DEPENDENTS FROM DRIVER'S LICENSING REQUIREMENTS.**

IV. **Bill No. 97-38 (LS) (https://guamlegislature.gov/38th_Guam_Legislature/Bills_Introduced_38th/Bill%20No.%2097-38%20(LS)%20Referred%20Version.pdf) -** Frank F. Blas Jr., Telo T. Taitague **– "AN ACT TO REPEAL AND REENACT CHAPTER 11 OF TITLE 12, GUAM CODE ANNOTATED; AND TO AMEND §45.30(b) AND §45.40 OF CHAPTER 45, TITLE 8, GUAM CODE ANNOTATED; RELATIVE TO THE REORGANIZATION OF THE GUAM PUBLIC DEFENDER SERVICE CORPORATION TO PROVIDE EFFECTIVE LEGAL AID AND SERVICES TO PERSONS WHO ARE ENTITLED TO COUNSEL UNDER THE ORGANIC ACT OF GUAM, THE LAWS OF GUAM, AND THE UNITED STATES CONSTITUTION AND TO CITE THIS ACT AS THE "GUAM PUBLIC DEFENDER SERVICE CORPORATION ACT OF 2025."**

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OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations,
Regulatory Affairs, Technology, Justice, Elections, and Retirement

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I Mina'trentai Ocho Na Liheslaturan Guåhan • 38th Guam Legislature

April 16, 2025

Transmitted via Electronic Mail
Marie P. Lizama – Director
Department of Revenue and Taxation
marie.lizama@revtax.guam.gov

Subject: Invitation to provide testimony on Bill No. 88 & 75:

Hafa Adai Director Lizama

This letter is to notify you that the Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections and Retirement has set a Public Hearing on **Tuesday, April 29, 2025 at 2:00 p.m., in the Guam Congress Building, Public Hearing room**, to hear the following Bill:

I. **Bill No. 88-38 (COR)** – Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada – **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

II. **Bill No. 75-38 (COR)** – Frank F. Blas, Jr. – **"AN ACT TO *AMEND* §3101(b) OF CHAPTER 3, TITLE 16 GUAM CODE ANNOTATED; RELATIVE TO EXEMPTING NON-RESIDENT ACTIVE-DUTY SERVICE MEMBERS AND THEIR DEPENDENTS FROM DRIVER'S LICENSING REQUIREMENTS."**

I respectfully request your presence to provide testimony and answer questions from the senate panel.

All testimony may be submitted to my office via email to senatortelot@gmail.com or delivered to the Office of Senator Telo T. Taitague Suite 407 DNA Building 238 Archbishop Flores St, *Hagatna,* Guam 96910 two (2) days prior to the public hearing. Please contact our office via email or at (671) 989-8356, for any questions or concerns.

Respectfully

Senator Telo T. Taitague
Chairperson

Gmail Senator Telo Taitague <senatortelot@gmail.com>

Invitation Letter to Provide Testimony on Bill 88 & 75 - April 29, 2025 at 2 p.m.

2 messages

Senator Telo Taitague <senatortelot@gmail.com> 16 April 2025 at 13:41
To: Marie.Lizama@revtax.guam.gov, DirectorsOffice@revtax.guam.gov

Hafa Adai Director Lizama

Please see attached letter and kindly confirm receipt.

I look forward to hearing from you.

Si Yu'os Ma'åse,

Create a Great Day!
Senator Telo T. Taitague
38th Guam Legislature
Chairperson
Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement

Suite 407 DNA Building
238 Archbishop Flores St.
Hagatna, Guam 96910
Tel: (671) 989-8356
Email: senatortelot@gmail.com

Rev & Tax Invitation Letter - provide testimony.pdf
493K

Marie P. Lizama <Marie.Lizama@revtax.guam.gov> 17 April 2025 at 09:02
To: Senator Telo Taitague <senatortelot@gmail.com>, DRT_DirectorsOffice <DirectorsOffice@revtax.guam.gov>

Hafa Adai, Senator Taitague.

I confirm receipt of your letter.

We have had an initial discussion of the draft legislation and are currently working on the testimony for the scheduled hearing.

Regards,

Marie P. Lizama

Director

Department of Revenue & Taxation

P.O. Box 23607

GMF, GU 96921

Phone: (671) 635-1816

From: Senator Telo Taitague <senatortelot@gmail.com>
Sent: Wednesday, April 16, 2025 1:41 PM
To: Marie P. Lizama <Marie.Lizama@revtax.guam.gov>; DRT_DirectorsOffice <DirectorsOffice@revtax.guam.gov>
Subject: Invitation Letter to Provide Testimony on Bill 88 & 75 - April 29, 2025 at 2 p.m.

[Quoted text hidden]

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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Public Hearing
Tuesday April 29, 2025 at 2:00 p.m. at the
Guam Congress Building in the Public Hearing Room

AGENDA:

I. Bill No. 33-38 (COR) - V. Anthony Ada, Christopher M. Dueñas, Frank Blas, Jr., William A. Parkinson, Joe S. San Agustin, Jesse A. Lujan, Chris Barnett, Sabina F. Perez, Sabrina Salas Matanane, Tina Rose Muña Barnes, Shelly V. Calvo – "**AN ACT TO *AMEND* §§ 25.15(a)(2) AND 25.20(a)(2) OF CHAPTER 25, TITLE 9 AND §715(h)(7) OF CHAPTER 7 TITLE 1 GUAM CODE ANNOTATED RELATIVE TO EXPANSION OF THE ELEMENTS FOR FIRST AND SECOND DEGREE CRIMINAL SEXUAL CONDUCT.**"

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OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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PUBLIC HEARING SIGN-IN SHEET
Tuesday, April 29, 2025 – 2:00 PM
Public Hearing Room, Guam Congress Building

Bill No. 88-38 (COR) – Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada -
"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."

NAME:	AGENCY/ ORGANIZATION	POSITION	TESTIMONY	CONTACT INFORMATION
1. MARIE LIZAMA	DRT	SUPPORT ☐ OPPOSE ☐	WRITTEN ☒ ORAL ☒	[redacted]
2. [illegible]	CLCPDSC	SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
3. MICHAEL SAN AGUSTIN	DRT	SUPPORT ☑ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
4.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
5.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
6.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
7.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
8.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
9.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	
10.		SUPPORT ☐ OPPOSE ☐	WRITTEN ☐ ORAL ☐	

DRT Comments

Legislative Hearing

April 29, 2025

Bill 75-38 (COR)

This bill seeks to exempt non-resident active-duty service members and their dependents from Guam driver's licensing requirements if they already possess a valid operator's license from another U.S. jurisdiction.

Passage of this bill would remove for these individuals the current requirement either to switch out their out-of-Guam driver's licenses for Guam driver's licenses or to register their out-of-Guam driver's licenses with the Department, which would allow them to drive on Guam's highways for up to one year. As a result, the removal of this requirement should help to alleviate the workload of the Driver's License Examination Branch (DLEB) in switching out or registering out-of-Guam licenses and save on manpower hours for the agency.

Since DRT currently does not collect driver's license-related fees for non-resident active-duty service members and their spouses, the fiscal impact is expected to be minimal, as it would be limited to other dependents.

The bill, however, does raise some concern about the loss of contact information for this group, which DRT currently provides to law enforcement agencies on an as-needed basis in accordance with the Driver's Privacy Protection Act.

We also note that under the bill as written, active-duty service members and their dependents who have a valid operator's license from another U.S. jurisdiction would not be require to obtain a chauffeur's license in Guam, in addition to an operator's license. If this is the intent of the legislation, the department points out that a chauffeur's license is required to operate specialized vehicles and services, including limousines, taxicabs, buses, construction equipment, and other commercial vehicles. To obtain a chauffeur's license in Guam requires an applicant to be at least 18 years old and to pass both written and driving tests. The bill as drafted would ostensibly allow a simple driver's ("operator's") license from another U.S. jurisdiction to suffice as a chauffeur's license in Guam.

Bill 88-38 (COR)

This bill seeks to assess the taxation of vehicle title transfers on a notarized bill of sale only and streamlining vehicle ownership transfers.

DRT currently uses the Kelley Blue Book to determine vehicle values. The tool is owned by Kelley Blue Book Co., Inc., a vehicle valuation and automotive research company. It is the standard guide in automotive trade in determining car value and "provides a fair market range and fair purchase price, based on actual transactions of what others are paying for a vehicle and adjusted regularly as market conditions change." It is used by many entities, including courts, insurance companies, banks, and even car dealerships themselves. We believe that use of the Kelley Blue Book to determine vehicle valuations for transfer tax purposes is not only industry-standard, it constitutes a fair, independent, third-party standard.

DRT is a member of the American Association of Motor Vehicle Administrators (AAMVA), a tax-exempt, nonprofit organization that develops model programs in motor vehicle administration, law enforcement and highway safety. It also serves as an information clearinghouse in these areas, and acts as the international spokesman for these interests.

AAMVA represents the state and provincial officials in the United States and Canada who administer and enforce motor vehicle laws. Its programs encourage uniformity and reciprocity among the states and provinces. The association also serves as a liaison with other levels of government and the private sector. Its development and research activities provide guidelines for more effective public service.

We reached out to AAMVA for its opinion on assessing valuation of vehicles for purposes vehicle title transfers. AAMVA's Director of Vehicle Programs and Services responded to our inquiry by stating that motor vehicle agencies generally obtain this information through services such as Kelly Blue Book, Black Book, or NADA, the National Automobile Dealer's Association. AAMVA's opinion is that "having the buyer provide the sale price without requiring any evidence to support it causes significant fraud to occur in the titling process."

Part of the bill mentions a correlation between the cost of title transfer fees to abandoned vehicles. Public Law 37-60 assesses a $1000 fine to the last registered owner of an abandoned vehicle. We believe this will encourage vehicle transfers to be completed once sales have been made.

While the number of vehicles and their values vary, over the past three fiscal years, over an average of $2.557 million has been collected yearly from an average of 15,000 transactions. Although it is difficult to calculate due to the uncertainty of what vehicle values through self-reported bills of sale may be, the effect on revenue could be substantial.

Gmail

Isah Peredo <senatortelot.isah@gmail.com>

FYI: Bill 88-38 (COR)

1 message

Senator Telo Taitague <senatortelot@gmail.com> Fri, May 2, 2025 at 5:43 PM
To: senatortelot.charissa@gmail.com, Isah Peredo <senatortelot.isah@gmail.com>, Elise Calvo <senatortelot.elise@gmail.com>

---------- Forwarded message ---------
From: **Maria P Espinoza** [redacted]@gmail.com>
Date: Fri, May 2, 2025, 4:57 PM
Subject: Bill 88-38 (COR)
To: <senatortelot@gmail.com>

Maria P. Espinoza
[redacted]
Email: [redacted]

May 2, 2025

Senator Telo Taitague
senatortelot@gmail.com
Chairperson on Economic Investment, … Regulatory Affairs, Military Buildup, Regional Relations, Technology, Justice, Elections, and Retirement:

REF: BILL 88-38 (COR)

Senator Taitague,

I am in support of the bill referenced above; however, I would like to make a few comments and recommendations:

25105 (b) Exemptions:

- There should be a (3) to include cars bought for parts. [I suggest that a flat fee be assessed, if the vehicle is badly damaged, visually or mechanically.]
- Liine 13 beginning with the words "The Department of Revenue …" should be identified as (c) under section 25105

25107 (b) I don't understand why you would want to add this subsection. It seems to me that you are contradicting the intent of this Bill because this line item may give Rev & Tax the opportunity to contrive a reason to add more fees to make more revenue.

25108 (a)(1) I suggest that a “iv” is added: A copy of a notarized Bill of Sale, as per Section 25102 (a).

Finally, I have a comment related to the implementation of this Bill if enacted into law.

If the Bill of Sale must be notarized, I hope that Rev & Tax will eventually establish the transfer procedure(s) to be processed electronically similar to the way we renew the registration our cars/vehicles: For example, after the sale is witness by the Notary, the **Notary** will contact Rev & Tax who will enter the information into the data base.

Thank you for giving me the opportunity to make suggestions to this Bill.

Sincerely,

Maria P. Espinoza

Please acknowledge receipt of this testimony.

CHAPTER 25
VEHICLE TRANSFER TAX

§ 25101. Tax Imposed: Transfer Not to Include Certain Transactions.

(a) A transfer tax is imposed on every transfer of a motor vehicle by other than a licensed dealer.

(b) The word *transfer* does not include:

(1) the assignment or sale of the interest reserved by a seller as security for payment of the sale price, whether such interest is defined in a conditional sale agreement, a chattel mortgage, or other kind of instrument; or

(2) the repossession of a motor vehicle in the exercise of a right or power reserved by or granted to a seller and described in the instrument defining the security interest reserved by such seller.

(c) The Director of Revenue and Taxation is authorized to charge fees in relation to changes in the registration of motor vehicles:

(1)	Change in motor vehicle body or engine	$10.00
(2)	Trailer registration	$10.00
(3)	Change in owner status arising from marriage, death, divorce	$10.00
(4)	Change in ownership arising from repossession	$10.00
(5)	Purchase from *bonafide* auto dealer	$10.00

SOURCE: GC § 19450, enacted by P.L. 1-88 as amended by P.L. 3-77. Subsection (c) added by P.L. 29-002:V:I:50 (May 18, 2007).

§ 25102. Rate, Penalty and Interest.

The rate of tax is Five Dollars ($5.00) plus two and one half percent (2.5%) of the actual market value on Guam of the vehicle, as determined by the Director of Revenue and Taxation or his delegate, in excess of One Hundred Dollars ($100.00). Any tax *not* paid within thirty (30) days after transfer is subject to a delinquency penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.

SOURCE: GC § 19451, enacted by P.L. 1-88 as amended by P.L. 3-77. Amended by P.L. 29-002:V:I:51 (May 18, 2007).

§ 25103. Schedule of Market Values.

The Director of Revenue and Taxation shall compile and post in the Department a schedule of market values as determined by him of each class of vehicle, the vehicle being classified by make, type and year first sold.

SOURCE: GC § 19452, enacted by P.L. 1-88.

§ 25104. Tax, Penalty and Interest Are Liens.

The tax imposed, delinquency penalty and interest are liens upon the vehicle until they are paid.

SOURCE: GC § 19453, enacted by P.L. 1-88 as amended by P.L. 3-77.

§ 25105. Liability for Tax: Collection.

The transferee is liable for the tax and any penalty or interest due, as provided for in § 25102, on (a) the transfer by which he acquired his interest and (b) any prior transfer.

A transferee who pays the tax, penalty or interest due on a transfer prior to the one by which he acquired his interest has a right of action against any prior transferee for damages resulting from such transferee's failure to pay the tax imposed by this Chapter.

The Director of Revenue and Taxation or his delegate shall collect the tax, delinquency penalty and interest due, and give a receipt therefor which shall designate and identify the vehicle and transfer or transfers on which payment has been received.

If any person liable to pay the tax levied by this Chapter, accrued penalties or interest fails to do so within thirty (30) days after notice and demand by the Director of Revenue and Taxation or his delegate either by personal service or mail directed to such person to his last known address, the Director of Revenue and Taxation or his delegate may issue a warrant directed to the Marshal of the Superior Court for the collection thereof. Such warrant shall have the same force and effect as a writ of execution issued by a court. The warrant shall be executed and sale made pursuant to it in the same manner as a writ of execution. The Marshal shall receive, upon completion of his services pursuant to such warrant, the same fees, commissions and expenses in connection with such services as are provided for similar services pursuant to a writ of execution.

SOURCE: GC § 19454, enacted by P.L. 1-88 as amended by P.L. 3-77. “Island Court” changed to *Superior Court* by Compiler, P.L. 12-85.

§ 25106. Receipt.

An official receipt showing payment of the tax, delinquency penalty and interest due shall be presented to the Director of Revenue and Taxation before the transferred vehicle may be registered in the name of the transferee.

SOURCE: GC § 19455, enacted by P.L. 1-88 as amended by P.L. 3-77.

§ 25107. Refunds.

The Director of Revenue and Taxation or his delegate shall authorize the Treasurer of Guam, by proper certification, to refund from any funds in the treasury derived from the Vehicle Transfer Tax, any overpayment or erroneously collected assessment of the tax, penalty or interest imposed by this Chapter with interest at one-half (1/2%) per month, or fraction thereof, from the date of overpayment or erroneous collection. No refund shall be paid unless a claim is filed therefor with the Director of Revenue and Taxation within one (1) year from the date of overpayment or erroneous collection.

Where a refund is due a taxpayer, and the taxpayer has any obligation owing to the government of Guam, the refund or such part thereof as may be necessary shall be applied to the obligation.

SOURCE: GC § 19456, enacted by P.L. 1-88 as amended by P.L. 3-77.

NOTE: "Finance" changed to *Revenue and Taxation* in this Chapter by Editor, GC, 1970 Ed.

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections, and Retirement

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COMMITTEE VOTE SHEET

Bill No. 88-38 (COR) – Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

COMMITTEE MEMBERS	SIGNATURE/ DATE SIGN	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Telo T. Taitague Chairperson	5.08.25	✓				
Senator Darrel Christopher Barnett Vice Chairperson	E-Vote 5.09.25	✓				
Senator Sabina F. Perez Member	E-Vote 5.09.25	✓				
Senator Therese M. Terlaje Member	E-Vote 5.09.25			✓		
Senator Shelly V. Calvo Member						
Speaker Frank F. Blas, Jr. Member						

Gmail Senator Telo Taitague <senatortelot@gmail.com>

REQUEST FOR E-VOTE: BILL NO. 88-38 (COR) AS AMENDED

4 messages

Senator Telo Taitague <senatortelot@gmail.com> 8 May 2025 at 18:55
To: Senator Darrel Christopher Barnett <malafunkshun@guamlegislature.gov>, Senator Therese Terlaje <senatorterlajeguam@gmail.com>, "Speaker Frank Blas, Jr." <speakerblas@guamlegislature.gov>, Office of Senator Shelly Calvo <officeofsenatorshellycalvo@guamlegislature.gov>, Office of Senator Sabina Perez <office.senatorperez@guamlegislature.gov>
Cc: Rowena Fejeran <senatortelot.rowena@gmail.com>, Isah Peredo <senatortelot.isah@gmail.com>, senatortelot.alana@gmail.com, senatortelot.charissa@gmail.com

Håfa Adai Committee Members,

Please see attached Committee Report on **Bill No. 88-38 (COR), As amended** by the Committee on Economic Investment, Military Buildup, Regional Relations, Regulatory Affairs, Technology, Justice, Elections and Retirement- *Introduced by Telo T. Taitague, Sabina F. Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada* - **"AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS."**

Please indicate your preferred action, based on the following options:

_______ TO DO PASS;

_______ TO NOT PASS;

_______ TO REPORT OUT ONLY;

_______ TO ABSTAIN;

_______ TO PLACE IN INACTIVE FILE.

Please submit your response **ASAP**. Your responses will be logged into the Committee Vote Sheet for **Bill No. 54-38 (COR), As Amended**. Should you have any questions, please do not hesitate to contact our office.

Si Yu'os Ma'åse,

Create a Great Day!
Senator Telo T. Taitague
38th Guam Legislature
Chairperson
Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement

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Committee Report on Bill No. 88-38 (COR) As Amended_Route.pdf
8545K

Office Senator Perez <office.senatorperez@guamlegislature.gov> 9 May 2025 at 07:15
To: Senator Telo Taitague <senatortelot@gmail.com>

To do pass.

[Quoted text hidden]

Senator Darrel Christopher Barnett <malafunkshun@guamlegislature.gov> 9 May 2025 at 07:48
To: Senator Telo Taitague <senatortelot@gmail.com>

To do pass.

The Office of Senator Chris Barnett
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Suite 202 · Calvo- Arriola Building · 259 Martyr St. · Hagåtña, Guam 96910
(671)969-3586 · malafunkshun@guamlegislature.gov

On Thu, May 8, 2025 at 6:55 PM Senator Telo Taitague <senatortelot@gmail.com> wrote:

[Quoted text hidden]

Senator Therese M. Terlaje <senatorterlajeguam@gmail.com> 9 May 2025 at 08:40
To: Senator Telo Taitague <senatortelot@gmail.com>

Hafa adai Senator Taitague,

Senator Terlaje would like to report out for Bill 88-38.

Thank you,
Patsy Cruz
Office Manager

On Thu, May 8, 2025 at 6:55 PM Senator Telo Taitague <senatortelot@gmail.com> wrote:
[Quoted text hidden]

OFFICE OF SENATOR
Telo T. Taitague
CHAIRWOMAN
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COMMITTEE REPORT DIGEST

I. OVERVIEW

Bill No. 88-38 (COR) was introduced on Monday, March 10, 2025, by Senator Telo T. Taitague. Bill No. 88-38 (COR) was referred by the Committee on Rules to the Committee on *Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement*, on Wednesday, March 19, 2025. The Committee convened a public hearing on **Thursday, April 29, 2025, at 2:00 p.m**. in the Guam Congress Building, Public Hearing Room.

Public Notice Requirement:

In Compliance with Open Government Law, a five (5) day public notice of this hearing was published on Tuesday, April 22, 2025, and a forty-eight (48) hour notice was published on Friday, April 25, 2025, on KUAM-TV and on the Guam Public Notice Website. Notices were also sent to all senators, and all main media broadcasting outlets via email on the same dates.

Senators Present:
Senator Telo Taitague, Chairperson
Vice Speaker V. Anthony Ada
Senator Shawn Gumataotao
Senator Sabina Flores Perez

Appearing Before the Senate Panel:
Marie Lizama, Director, Department of Revenue & Taxation
Michelle Santos, Acting Deputy Director, Department of Revenue & Taxation
Karl Espaldon, Legal Counsel, Department of Revenue & Taxation
Michael San Agustin, Department of Revenue & Taxation

II. SUMMARY OF TESTIMONY & DISCUSSION

The Public Hearing was Called-to-Order at 4:45pm. Bill No. 88-38 (COR) was the third item on the agenda.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Thank you so much for that short recess. My colleagues, we are back and we are now going to be entertaining Bill 38, I mean 88-38 (COR) introduced by myself, Telo Taitague with my co-sponsors as Senator Sabina Perez, Senator Therese Terlaje, Senator Chris Barnett, Senator Shelly Calvo and Senator Tony Ada. This is AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALEONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS.

Okay, I'd like to open up with my opening remarks regarding Bill 88-38.

Håfa adai colleagues and members of the public, thank you for joining us at this public hearing today. Bill 88-38 aims to bring long overdue clarity and fairness to the way we handle vehicle title transfers here on Guam.

As it currently stands, the Department of Motor Vehicle relies on Kelly Blue Book values to assess taxes on vehicle title transfers. However, these values do not reflect the realities of vehicle conditions on Guam. The Kelly Blue Book is standardized for vehicles in stateside markets where cars may experience less environmental wear and tear. On Guam, our vehicles face harsher conditions from constant exposure to salt air to rough terrain, and uneven unpaved roads and extended use factors that drastically reduce cars actual market value. As a result, many residents are taxed on inflated vehicle values that exceed what they actually pay. For an example, a 2008 vehicle with over 180,000 miles may sell for $2,000 in a private transaction, but the Kelly Blue Book may list its value at $4,500, resulting in a significantly high tax burden that doesn't reflect reality.

This disproportionately impacts our low and middle-income families who are just trying to afford reliable transportation. Bill 88 seeks to fix this by requiring taxes on vehicle title transfers to be assessed solely on the bill of sale- the true price agreed upon between the buyer and the seller. It's a compromise change that promotes fairness, transparency, consistency, and efficiency. This legislation

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also modernizes the transfer process to make it more accessible, reducing delays and confusions at DMV.

Beyond tax fairness, this bill plays a critical role in tackling other urgent problems- the growing crisis of junk and abandoned vehicles on Guam. In 2023, it was reported that from fiscal year 2018 to 2022, over 5,000 abandoned vehicles were removed with 4,247,085 utilized by the mayor's office for abandoned vehicle removal alone. And in fiscal year 2024, 1,377 junk vehicles were disposed of, racking up a bill for the government of Guam to pay contractors 780,700 for their services. Each abandoned vehicle costs taxpayers to remove and dispose of a significant financial burden that should be addressed.

By streamlining and encouraging proper title transfer, Bill 88-38 helps ensure that vehicle owners ownership records are current and traceable. This accountability is essential in identifying those responsible for abandoned vehicles, abandoned cars, and supporting enforcement actions. It also enables better coordination with recycling programs and further government-led cleanup initiatives. I'm grateful for my co-sponsors who joined me in addressing this. I respectfully ask all my colleagues to also support this.

There have also been some concerns of counter fraud issues related to this bill that it may cause. I understand the concerns about whether basing taxation on the Bill of Sale could open the door to fraud. For example, by individuals underreporting the sale price to avoid paying the property tax. However, this risk is not unique to Guam and it is already anticipated and manageable through standard legal administrative safeguards. Despite reliance on Kelly Blue Book values, individuals can still falsify paperwork and commit fraud under the current system. Moving to a Bill of Sale system does not create a new risk. It simply modernizes the process to match the actual transaction. Bill 88 doesn't weaken enforcement. It simply makes taxation fair.

Enforcement tools exist to deter and punish fraud. In Guam law, knowingly falsifying a bill sale affidavit or tax document is already a criminal offense punishable by fines and potential prosecution. We cannot allow fear of potential abuse by a small few to justify an unfair system that punishes thousands of honest families every day. Our responsibility is to create policies that are fair and enforce them, not to assume everyone is dishonest.

Other jurisdictions have successfully adopted similar systems and assess vehicle taxes based on declared sale prices with mechanisms for random audits, verification against fair market values, and penalties for fraud. There is no reason Guam cannot implement the same verification procedures such as spot checks, secondary reviews, and requirements for Bill of Sales to be notarized. Fraud concerns must be weighed against the injustice of over taxing of honest citizens. Right now, thousands of law-abiding citizens are taxed based on inflated Kelly Blue Book estimates that do not reflect their actual purchase price, hurting low income and working-class families the most.

We should not maintain a broken system that punishes the many because of fear of the few who might attempt to cheat it. Bill 88 promotes ownership accountability, which is critical for addressing the junk and abandoned vehicle crisis on our island. Encouraging legitimate tax transfers with a fair taxation will result in a cleaner island and more complete ownership records, making it easier to track and penalize those who abandon vehicles. The risk of fraud can be managed, but the injustice of our current system is undeniable. Bill 88 provides fairness, accountability, and transparency.

At this time, I'd like to recognize those who have come to testify today. Director Maria Lizama from the Department of Revenue Taxation. Thank you so much. We also have Michael San Agustin that is here with us. And then we do have Ms. Santos here as well. If you can introduce yourself, please. Are you here to testify?

MICHELLE SANTOS, ACTING DEPUTY DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Not really. I'm just here for support, but I can testify. Yeah. And my name is Michelle Santos and I'm the Acting Deputy Director and I'm also the Insurance and Banking Commissioner.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Thank you so much Acting Director.

KARL ESPALDON, LEGAL COUNSEL, DEPARTMENT OF REVENUE & TAXATION (DRT): Hi, Karl Espaldon, Legal Counsel.

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SENATOR TELO T. TAITAGUE, CHAIRPERSON: Okay, Legal Counsel. Thank you so much for being here. At this time, we'd like to hear from the Director of the Department of Revenue and Taxation. You're now recognized.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Hi, good afternoon, Madam Chair, Vice Speaker Ada, Senator Gumataotao, and Senator Perez. My name is Marie Lizama. I am the Director of the Department of Revenue and Taxation. So, Bill 88-38 seeks to assess the taxation of vehicle title transfers on a notarized bill sale only and streamlining vehicle ownership transfers. DRT currently uses the Kelly Blue Book value as you've mentioned to determine vehicle values.

The tool is owned by Kelly Blue Book Company Incorporated, a vehicle valuation and automotive research company. It is a standard guide in the automotive trade in determining car value and quote, "*provides a fair market range and fair purchase price based on actual transactions of what others are paying for a vehicle, and adjusted regularly as market conditions change.*" It is used by many entities including courts, insurance companies, banks and even car dealerships themselves. We believe that the use of the Kelly Blue Book to determine vehicle valuations for transfer tax purposes is not only industry standard, it constitutes a fair, independent and third-party standard.

DRT is a member of the American Association of Motor Vehicle Administrators, also known as AMVA, a tax-exempt nonprofit organization that develops model programs in motor vehicle administration, law enforcement, and highway safety. It also serves as an information clearing house in these areas and acts as the international spokesman for these interests. AMVA represents the state and provincial officials in the United States and Canada who administer and enforce motor vehicle laws.

Its programs encourage uniformity and reciprocity among the states and provinces. The association also serves as a liaison with other levels of government and the private sector. Its development and research activities provide guidelines for more effective public service. We reached out to AMVA for its opinion on assessing valuation of vehicles for purposes of vehicle title transfers. AMVA's Director of Vehicle Programs and Services responded to our inquiry by stating that motor vehicle agencies generally obtain this information through services such as Kelly Blue Book, Blackbook or NADA which is known as the National Automobile Dealers Association. AMVA's opinion is that quote, "*having the buyer provide the sale price without requiring any evidence to support it causes significant fraud to occur in the titling process*, "unquote.

Part of the bill mentions a correlation between the cost of title transfers and abandoned vehicles. Public Law 37-60 assesses a $1,000 fine to the last registered owner of an abandoned vehicle. We believe this will encourage vehicle transfers to be completed once sales have been made. While the number of vehicles and their values vary over the past three fiscal years, an average of $2.557 million has been collected yearly from an average of 15,000 transactions. Although it is difficult to calculate due to the uncertainty of what vehicle values through self-reported Bills of Sales may be, the effect on revenue could be substantial. Thank you.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Thank you so much Marie. Anybody else would like to testify or they're just here for support?

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Basically, here for support.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Okay. Thank you so much. I will leave my questions for the end and ask my colleagues if they would like to ask any questions. Senator or Vice Speaker Tony, do you have any questions?

VICE SPEAKER TONY ADA: I don't have any questions at this time. Thank you, Madam Speaker. Thank you.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: You're very welcome. Senator Gumataotao you're recognized.

SENATOR SHAWN GUMATAOTAO: Thank you, Madam Chair, and thank you again to our friends from Rev & Tax for being here this afternoon. I know it's been a pretty long day. If I can, I just wanted to share with the committee that there was a letter that was sent by the Lieutenant Governor Guam to the co-author of this bill back on May 5th, 2023 relative to a another bill that stated that Guam EPA had provided financial assistance to the mayor's council of Guam for

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the successful removal of at least 5,459 vehicles or an annual average of 1,091 abandoned vehicles each year during the previous 5 years, in this letter back on May 5th, 2023. Understanding that 16 GCA §36066 (c)(3) provides that if an abandoned vehicle is not claimed after 30 days, it may be auctioned by DRT or sold pursuant to law. When we think about this, it is dated almost a couple years ago. When we think about the amount of vehicles that was referenced in the Lieutenant Governor's letter to the co-author Senator Sabina Perez, when we think about the expenses, including towing, storage costs- how much… is there a round number that the government may take from those kinds of claims? This is a lot of vehicles.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): So, the last amount that we are aware of is it costs $650 per vehicle, far above and beyond what we currently assess or collect for the recycling fee.

SENATOR SHAWN GUMATAOTAO: Thank you, Director. Recognizing that one of the findings from Bill 88-38 (COR) is that the title transfer costs for Guam residents often prevent them from completing the transfer process, leaving vehicles for the most part, unaccounted for when abandoned and ultimately contributing to the growing issue of junk and abandoned vehicles across the island, I don't know if you can answer, but what information is available to validate whether vehicles are being abandoned because of what Bill 88 refers to as excessively high title transfer costs? Or is the reason that most cars are discarded on public property, is to avoid paying those scrapyard charges? I don't know, maybe from your experience you can share that with the committee.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Yeah, I apologize. We do not collect that information. But we believe that the public law for abandoned vehicles, the fact that the fine is assessed to the last registered owner, we do believe that is going to kind of encourage or, you know, perhaps be an incentive for the owner to ensure that the transfer is done.

SENATOR SHAWN GUMATAOTAO: From the staff, what do you guys, what are you guys hearing out there on the streets about these things?

MICHELLE SANTOS, ACTING DEPUTY DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Senator, we've been meeting with several government agencies on the abandoned vehicle problem. We've been meeting with GPD, EPA, Land Management, DPW, and that's where we came up with the $650 to, you know, to take care of the abandoned vehicle. Also, we've also met with the solid waste person. I don't remember his name, but he also says it costs more than what we're, you know, charging to ship these.

What they do is they take them to a lot and they have a compactor, right? They remove all the fluids, then they compact them and then put them on a ship and I believe a Korean firm is buying them. It still costs way too much to do this than what we're charging. So, we've been meeting on that and we're, you know, racking our brains to try to figure out how to take care of the abandoned vehicles. They classify them into junk, right, Carl? Junk. And then, you know, the ones that are not stripped and can be kind of salvaged and sold. What do they call that? They're they classify them into two: the junk where you can't do anything with it anymore and it's rusty and it's been stripped and then ones that are fresh. They call it fresh 20 with it, you know, left within 24 hours. So, we've been working with the police and we're trying to streamline the process where we can even title it to the tow trucks so they can sell it to re recover their cost. Those are the things we're, you know, we're trying to clean up. Also, you know, trying to work with the mayors on this as well.

SENATOR SHAWN GUMATAOTAO: Attorney Espaldon, you would, you going to jump in there? You have anything as well?

KARL ESPALDON, LEGAL COUNSEL, DEPARTMENT OF REVENUE & TAXATION (DRT): I guess the only thing that I have to add as being part of these discussions about the abandoned vehicles, abandoned and junk vehicles and I think that is going to your question is, I have not yet seen or heard any direct correlation between the inability to pay a vehicle transfer tax and vehicles being abandoned. That might be the case, but I haven't seen any studies, evidence, or even heard about it until now.

SENATOR SHAWN GUMATAOTAO: All right. Thank you for your candor, and thank you, Madam Chair, for the time and the questions. Appreciate it.

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SENATOR TELO T. TAITAGUE, CHAIRPERSON: You're very welcome, Senator Gumataotao. No questions for the Speaker. Okay, Senator Perez, you're recognized.

SENATOR SABINA FLORES PEREZ: Thank you, Madam Chair, and good afternoon to DRT. Thank you for being here. So, I'm just looking over your testimony. It says an average of $2.557 million has been collected yearly from an average of 15,000 transactions. Okay. So, do you know what percentage of that is from new vehicle purchases versus transfers?

MICHAEL SAN AGUSTIN, DEPARTMENT OF REVENUE & TAXATION (DRT): Senator that's, those figures are only in regards to new vehicles. I mean used vehicles, not new vehicles. Because of the new vehicles, there's no fee of transfer on that.

SENATOR SABINA FLORES PEREZ: Okay. So, these are used vehicles.

MICHAEL SAN AGUSTIN, DEPARTMENT OF REVENUE & TAXATION (DRT): Yes, that's only for used vehicles.

SENATOR SABINA FLORES PEREZ: I'm cross-checking what was provided by the fiscal note. So, it states that in fiscal year 2024, $9.7 million was collected in revenues. However, the revenues generated do not indicate how much amount specifically represents vehicle ownership transfers. Do you recall the fiscal note? And maybe if you can explain those numbers. I'm assuming those came from DRT.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): No. That's the one that's from BBMR, right? I do not.

SENATOR SABINA FLORES PEREZ: So, okay. So, they developed those figures on their own? Okay, so I'm just trying to reconcile the numbers that you provided in your testimony with what was provided by BBMR. So, they're stating that the registration fees for fiscal year 2024 was $9.7 million.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): But are they confusing registration with a transfer fee? That's probably where the disconnect is.

SENATOR SABINA FLORES PEREZ: Okay.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): And I can certainly go back and just verify that and get back to you.

SENATOR SABINA FLORES PEREZ: Okay, so basically you're saying that this $2.557 million is transfer fees.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Yes, ma'am.

SENATOR SABINA FLORES PEREZ: Okay. Okay, for 15,000 transactions? Okay. So, do you know, is there a number… I guess you can't tell me. But, is there a number that's not being captured from the titles that are not being transferred at DRT. Is there an estimated number based on the number of cars that are being imported and how many are sold, and that accumulation versus how much is being shipped off island? Do you guys have that kind of information? That would probably tell us how much is not going through DRT at this time, right?

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Yeah, we wouldn't, we wouldn't know.

SENATOR SABINA FLORES PEREZ: Okay. So, if we're thinking 8,000 cars are sold every year, you know, that's an accumulation of cars. As we know, there's an abundance of abandoned vehicles out there. So, yeah, the purpose of this is because that's one of the suggestions in the Abandoned Car Task Force.

The mayor has actually recommended this, to somehow make the transfer easier because again, there is this understanding or belief that cars are not being transferred to the newest owner. And we hear this testimony over and over again in these task force meetings. The testimonies provided for bills is that when the police come and they try to find the owner, they go to the registered owner and the registered owner says they sold it years ago. So, this is a common understanding that's happening out there. So, we're missing a good portion of - we're not capturing, I guess, a good amount of registered owners of the cars that

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were transferred. And this is one of the purposes of this bill- to increase or capture more or encourage that to happen, encourage that transfer of title to happen. And so, I guess you're saying that the $1,000 fee would help. To what extent since the passage of that law? To what extent has DRT collected that $1,000, because I know, I understand from certain mayors that they are using this law.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Yes. Okay so, you know with regard to the fee itself in the discussions that we've had, as the Acting Deputy has mentioned, part of the discussion includes an educational awareness campaign so that owners or previous owners who have perhaps sold the vehicles to someone else should be made aware that there is a fee, a $1,000 fee, should that vehicle later be reported as abandoned, you know, it's going to be traced back to them.

Now, as part of these discussions move along, we understand that there's also a perhaps just an unclear or perhaps people are talking about abandoned and junk vehicles as if they were one and the same. So, we know that there's a definition for "junk" versus a definition of "abandoned vehicles." And, we just feel that we need to go out with an educational campaign on that because right now what we are concentrating on in those discussions would be the vehicles that are abandoned. So, the junk ones they've probably been in the jungles or perhaps somewhere else for years. And so, you know, we don't know. You know, as Attorney Espaldon mentioned, we don't know if there is that correlation between the junk or even the abandoned vehicles and/or the non-payment of the transfer fees to those types of vehicles.

SENATOR SABINA FLORES PEREZ: Okay. So, again, there is a lapse in regards to ownership because we're hearing out in the community that when say, a law enforcement officer tries to find the owner of the car and goes to the registered owner, that registered owner on the books has sold that car many months or so ago. So, it does apply to abandoned vehicles. So, there is anecdotal evidence to support that and it's not just a one-time public hearing. It's been several public hearings including the Abandoned Car Task Force. That's where this idea came up to pursue how to streamline the transfer of title to ensure that we can enforce these the laws and clean up our streets or our public easements from abandoned vehicles. So, I guess the question you didn't quite answer is the question regarding the $1,000 fine. Has that been implemented?

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Oh, I apologize ma'am for forgetting about that part. So, we just started to implement it. We're in the process of actually finalizing the administrative procedure with regard to that. We have gotten part of that in. So how that happens of course is the peace officer determines or identifies the vehicle as abandoned and then we are informed of that and then DRT is responsible for publishing the information on our website. And we have yet to iron out the rest of that because of course there's been some concerns expressed by the tow truck companies with regards to payment. You know, so we haven't seen yet any collection of the $1,000 fee. And you know, as I mentioned and Michelle mentioned, we are continuing our discussions on that. In fact, I think we have a meeting scheduled for May 9, if I'm not mistaken.

MICHELLE SANTOS, ACTING DEPUTY DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Senator, I'm not sure that task force is the meeting we're going to. I don't know if there's, because the mayor's office has not been in attendance. We've attended like three or four meetings and they're not there. So, I'm not sure that we're talking about the same meeting, you know, that we're going to.

SENATOR SABINA FLORES PEREZ: Yeah. So, I think this is when the bill was created. We, I believe the Executive Branch did put together an Abandoned Vehicle Task Force. So, it may have morphed into something different. So, I'm not aware how it changed too. So okay, you're thinking that, you’re projecting that the $1,000 fine is going to solve the problem of transfers.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): We believe that it would encourage, highly encourage the owners to ensure that the transfer is done because I'm sure they would not want to be held or you know be responsible for that amount of money, or be fined that amount of money.

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SENATOR SABINA FLORES PEREZ: Okay. As far as proactive measures though, I mean there's still room for that in regards to encouraging the transfer of the titles without being hit with a fine.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Yes.

SENATOR SABINA FLORES PEREZ: So, I think that's what this bill aims to do. So, if there's any suggestions that you have to improve the bill, I definitely would like to encourage that. I mean, I would like to encourage that as well.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): Okay.

SENATOR SABINA FLORES PEREZ: Okay. I think those are my questions for now. Thank you.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Thank you, Senator Perez. That being said, you know, it's encouraging. We're finding other avenues to clean up our island with regards to this litter of cars on the side of the road, because it's safety issue as well. It's very dangerous. Even if it's in somebody's yard. I know mayors have been very concerned about that. They're getting calls from their constituents saying that these bunch of cars are in this area and it's, you know, it's just a hazard and it's unsafe.

So, this $1,000 find that is potentially, hopefully goes through, that's good. It's encouraging, but we're still left with the main reason why this bill was created. You know, we've been taxing the people of Guam, over taxing the people of Guam when it comes to transferring vehicles. For an example, one situation had gone down to Rev 7 Tax to do a transfer of a vehicle they had. Unfortunately, the air conditioner wasn't working. There was a huge dent in the back of the car. The car was assessed at Kelly Blue Book for about $10,000. And then but nobody from behind the desk where they went to pay for this transfer to someone else would go out and see the car- see that the car was obviously not even in fair condition. It was at the lowest amount of the blue book and they were not selling it at the Kelly blue book of $10,000 because the car is not worth it. Now, they've gone to car dealerships and asked for an appraiser. So, that's a true appraisal of a vehicle. You take your vehicle to any of these automobile places that sells used vehicles. They take the car, they drive the car, they lift open the hood of the car, they go inside the car and review how much is this worth. Now, when individuals go down to Rev & Tax to do a transfer and say, *"Well, I'm selling this car for not $10,000. I'm selling it for $5,000."* They go, *"Well, the Kelly Blue Book says $10K. You're going to have to pay $10K."* But if you go outside and see my vehicle, it's all messed up. I mean, nobody's going to buy this car at $10,000. So, you're making me spend $300 to transfer this car to another person. $300 is quite a lot of money. And this has been going on for decades at the Department of Revenue and Taxation. People overtaxed for transfer of vehicles that are not worth the Kelly Blue Book. And this has to stop.

If we're encouraging people to be responsible, then we shouldn't over tax the people of Guam. If this is going to drop in cost for Rev and Tax, well, that should not be an excuse to continue to tax people the wrong way. And that's why we created this legislation. I do understand that this nonprofit organization that you were talking about, American Association of Motor Vehicle Administration, I'd like to read some more about that and exactly what their intentions are. Is their intention really to assist Revan tax to make additional revenue for Rev and Tax? I can assure you that the people of Guam don't intend to use their hard-earned money. I mean they already pay their hard-earned tax money for the government to cover roads, schools, and all that the government pays for. But when it comes to being over taxed, I'm pretty sure the people of Guam are going to stand in opposition for that.

So that being said, I greatly appreciate you taking the time and I thank you so much for your patience. I know we had to take. Oh, okay. My good colleague here has one more question. So of course, I give her the floor to answer that. Go ahead.

SENATOR SABINA FLORES PEREZ: So just to throw it out there. I mean, is it possible to have both in existence, where you have the Kelly Blue Book and then you can have these as a bifurcated approach where if the car is really in bad shape, it's not worth the Kelly Blue Book price, that there could be an appraiser situation?

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Not certified.

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SENATOR SABINA FLORES PEREZ: Yeah.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: If I may because I had asked that question for my colleagues. There are no certified appraisers at Revenue and Taxation and that's the issue. Now we can go and get an appraised value of vehicles but then now what's happening if you do that you go to a used car dealership and you bring the vehicle and right now, it's free you can go into a used car dealership ask them, hey I'd like to sell my car how much would you like to buy it for and then they do the appraisal these guys are very well equipped with the information that's needed. They drive the car. They like, I said, inspect the car and they give what they feel is fair market and then that's done. Even if you were to take that to Rev & Tax and ask them, look, I got an appraisal for this car from this company here. What's going to happen now is those car companies are going to catch wind of what's going on. Now, people are going to the car dealers to get free appraisals, then take their car to Rev & Tax so that they can sell their vehicle to someone else. Pretty soon, we're going to have these auto dealers or car dealers using dealerships, charging appraisals for vehicles, and that's something that we want to avoid as well. But yeah, I did ask that question, Senator Perez and they are not appraisers. They're not certified, and they could not provide that type of appraisal. Okay. Yeah. And you can go ahead and confirm.

MICHAEL SAN AGUSTIN, DEPARTMENT OF REVENUE & TAXATION (DRT): Well, I honestly believe that, you know, with my experience working at DRT under the Registration Branch, we've seen all kinds of Bill of Sales coming in. We've seen a dollar. We've seen $5. We've seen Deeds of Gifts. So, how do we base, how do we charge a transfer tax on top of that? So, what I feel is that we need to develop a system not based on a Bill of Sale from a seller because there's no standard in that I believe. I mean I if I sell a vehicle to my sister, I'm not going to use a fair market value that we're trying to catch. I mean, I can just sell it if I like to. For example, Speaker Blas sees me post a car for $20,000 and we know each other. I don't know if you remember, Senator, we used to play for Tamuning, but anyways, he comes to me and says, "*Mike, I see you posted a car for*

$20,000, right? Okay. What are you going to give it to me for? We've known each other for a long time. I said, "Okay, speaker." I'll say, "*Speaker, but, okay, I'll give it to you for five $15,000. But there's a catch. I come to your house, I see that nice grill you haven't used two times at the two times I've been there, what if I bring you a Bill of Sale for $8,000, but you throw in that grill for me?"*

See, I had an experience in Florida that I like to share with you guys. When I first purchased a vehicle back there, I purchased it for $4,000. That was the market value at that time from a used car salesman. He gave me the title, then he gave me the Bill of Sale. And he said, *"Mike, although you sold my car for the value of $4,000, I'll give you a Bill of Sale that states $1,800."* At the time, I had no clue. All I said was, "*Why would you want to do that?"* He said, *"Well, because the DMV is going to charge you based on what I put on the Kelly, I mean, on the Bill of Sale."* So, yes, I know you said there may be a small number of frauds out there, but who's going to enforce that? What are we going to do when it comes in at $10 or $10- to $20? How do we charge that? I mean, there's a lot of room for people to adjust the actual cost of the car. I mean, if we're only going to say we're going to take it as a Bill of Sale only, can you imagine what the numbers are going to be when it comes in?

We have no clue. There's no standard. So, if we're going to phase off the Kelly Blue Book, I just think that they need to come up with some sort of standards like you mentioned earlier, Senator. Maybe an appraisal from a dealership. That maybe makes more sense than for us to accept just a Bill of Sale determined by the seller that can, you know, can always name whatever price he wants to name. So that's just my … You know, what I wanted to say is that I just feel that going with a Bill of Sale determined by the seller is not standard. And they can make up their… if you have three sellers selling the same car you think it's going to be the same amount? No, it's not going to be. It's going to depend on what they feel they want to sell the car to their sister, their friend, or somebody off the streets. It's not going to be, it's not going to be consistent. That's all I'm saying. I mean there's got to be some sort of standards that we're going to follow, but not just on the Bill of Sale.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): You have to fine-tune it because there are a lot of loose ends like your car appraisers. I mean, who's going to certify them? We even have trouble just with

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insurance appraisers. You know, them being legit. So, you have to fine-tune this bill so that we're not left with having to figure it out or finding other problems. You have to cover all the bases. You know, this is the way we're going to go.

SENATOR TELO T. TAITAGUE, CHAIRPERSON: Thank you. And thank you for those comments because in situations like this where we're not here making a profit, you know, if I'm selling my car to my daughter and I just and it's the car. Well, it's pretty run down. You know, usually it's just given to them for free. Actually, to tell you the truth, when you go to transfer, you're already automatically paying $25 upfront. $25 to do a transfer, right? And then on top of that, you paid 2.5% on the value of it. So, it's not like they're not paying something upfront. There's the standard there. Now, if somebody wants to sell their car for parts and not drive it, that's not in the Kelly Blue Book. But if you're talking about fraud, and like I mentioned earlier in my comments, you know, we have laws, we have enforcement for those laws. If somebody commits fraud, those are in place. We can't keep using that as an excuse to continue to over tax our people who don't make a profit usually when you're selling a vehicle. You know, whether they sell it for $10 to somebody else, then the government of Guam will charge them $2.5% of $10. That's fair. They're not making a profit.

Now, if you need it to be certified, if they come before Rev & Tax and say, *"This is a Bill of Sale. I'm signing an affidavit that I'm selling this vehicle to my daughter for $10. Here's my $25 revenue tax that you require, $5 on top of that, according to this. There's $5 on top of that plus 2.5%."* Is there anything wrong with that? Considering, you know, that they signed an affidavit, it's swearing to that. And if you want to follow up to see if they're committing fraud, then Rev & Tax can do that. There's nothing stopping you.

MARIE LIZAMA, DIRECTOR, DEPARTMENT OF REVENUE & TAXATION (DRT): What about the cost of processing the transfer? We got to make sure we…

SENATOR TELO T. TAITAGUE, CHAIRPERSON: It's also $25 upfront. And that's fees actually, by the way, because I oversee the regulatory side at Rev & Tax fees that also I know need to go up. They were talking about your fees because it's been at a low rate for so long and I totally understand that. But you're already paying $25. And $25 is a lot to some people who live paycheck to paycheck. A lot to somebody who has to sell their vehicle because they can't afford it anymore or sell their vehicle because they need to pay for their mortgage or need to pay for their rent. You're hitting people like that. You're not hitting the big AK or, you know, Cars Plus people. They're selling brand new vehicles and they're taxed quite hefty. You're talking about used vehicles, people who are usually in a position of selling their car because of hard times. So, I don't see us, you know, that's the whole intention of this legislation.

But I do plan on working with you, with Rev and Tax, to see maybe if we can come up with a win-win. We've tested every avenue to try and find fairness, looking at the numbers. Of course, you know, we've been over taxing our constituents, our community for so long. It's time that we adjust that and that's why this bill is there. But I look forward to doing a markup meeting if need be and we'll ask for any questions.

So that being said, if my colleagues don't have any more questions, I will conclude this hearing and thank you again to the Department of Revenue Taxation for being here and being so patient waiting to the very end. That being said, I've concluded this hearing for Bill 88-38 (COR). You can send any testimonies within five working days to senatortelot@gmail.com. Other than that, we're going to take a minute just to excuse this panel and prepare for the next bill which is Bill 75-38. Thank you so much.

Public Hearing Adjourned at: 5:30pm.

III. FINDINGS & RECOMMENDATIONS

- Oral testimony was received from Maria Lizama, Director Michelle Santos, Acting Deputy Director Michelle Santos, DRT Legal Counsel, Attorney Karl Espaldon and Michael San Agustin, Vehicle Registration Branch Supervisor, Michael San Agustin. DRT defended the use of Kelley Blue Book (KBB) value system as an industry standard, and expressed concerns about fraud risks with self-reported Bills of Sale.
- DRT believes that a $1000 find imposed on the last registered owner of abandoned vehicles pursuant to Public Law 37-60, is sufficient to encourage proper title transfers. However, it is still in the process of finalizing

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administrative procedures for implementing the fine and has yet to collect any revenue from it.

- DRT further informed that over the past 3 fiscal years, an average of $2.557 million is collected yearly from 15,000 used vehicle transactions, and the proposed bill could significantly impact revenue. However, there were discrepancies between DRT's reported revenue from transfer fees and BBMR's fiscal note stating that $9.7 million in registration fees for fiscal year 2024. The Committee is pending clarification from Director Lizama on the reported figures.
- Bill Co-Sponsor, Senator Sabina Perez suggested a bifurcated approach, allowing both Kelly Blue Book values and appraisals for vehicles in poor condition. However, DRT raised concerns about the lack of certified appraisers and the potential for inconsistent valuations if bills of sale are solely relied upon.
- Maria P. Espinosa submitted written testimony suggesting that vehicles bought for parts be exempt, and that a flat fee be assessed if the vehicle is badly damaged visually or mechanically. Espinosa also expressed that Section 25107 (b) contradicted the intent of the bill, and may give DRT the opportunity to contrive a reason to implement additional fees. She further recommended that if the Bill of Sale must be notarized, that DRT establish the transfer procedures to be processed electronically in the way registrations are renewed, allowing a notary to enter the information into the DRT data base.

The Committee finds that Bill No. 88-38 (COR) seeks to address an inadequate taxation system for vehicle title transfers that does not account for the actual condition of a used vehicle, resulting in inflated value assessments that disproportionately impact low- and middle-income families the most.

The Committee also finds that fraud risks exist under the current system and can be managed through legal safeguards, such as notarized affidavits for bills of sale transactions which have been implemented successfully in other jurisdictions, as well as penalties for falsifying documents and random audits.

The Committee further finds that although the KBB is used as a standard guide, DRT is not bound to it by law, and has the ability to reassess the taxation system to balance fairness for taxpayers with measures to prevent fraud.

During the Committee Markup meeting held on May 6, 2025, all public hearing and Committee concerns and recommendations were considered. Bill No. 88-38 (COR) was amended as follows:

1. **Legislative Findings & Intent:** Because Guam law does not require DRT to specifically use the "Kelley Blue Book requirement"
   a. Page 1, Line 14 removes "… eliminating the requirement for the Kelley Blue Book valuation and"
2. **Rules and Regulations:** The tax rate for the transfer of a vehicle title currently determined by the Director of DRT is five (5) dollars and 2.5% of the value stated, plus a $25 fee. Because the Bill of Sale is an accurate value of a vehicle being sold/transferred, rules and regulations are not necessary. Therefore, the following provisions in the bill were deleted:

   a. Page 2, Lines 17 - 20 directing DRT to promulgate rules and regulations pertaining to the implementation of the bill.
   b. Page 7, Lines 15 - 17 directing DRT to establish verification procedures related to tax exempt transaction
   c. All of Section 25107, relative to implementation and administration procedures on Page 8, Lines 1-14.
   d. All of Section 25108, relative to Conditions and Limitations for Title Transfers on Page 8, Lines 15-27 and Page 9, Lines 1-12.

3. **Appeals Process:** The committee didn't see the need for an appeals process and decided to delete the entire Section 25109 on Page 9, Lines 13-27, and Page 10, Lines 1-4.

4. **Reviewing and Reporting:**

   a. Bill Sponsor Senator Telo Taitague and the Committee would like to keep the reporting requirement for the sake of transparency on tax yields.
   b. Speaker Blas suggested to amend the section to only report the taxes collected from the chapter. Page 10, Lines 9-10 are removed and line 7 was amended to read: "...total taxes collected under this Chapter."
   c. The bill was also amended to clarify that annual reporting relative to any suggested amendments to improve the Act shall be included in the annual report

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for each calendar year and for the report to be submitted 180 days after the end of the calendar year.

d. Page 10, Line 12: "…annual report for each calendar year."
e. Page 10, Lines 13-14: "submitted to the Legislature and the Governor of Guam one hundred eighty (180) days after the end of the calendar year.

The Committee on Rules to the Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement hereby reports our **Bill No. 88-38 (COR), As Amended- Introduced by Senator Telo T. Taitague, Sabina Flores Perez, Therese M. Terlaje, Chris Barnett, Shelly V. Calvo, V. Anthony Ada– "*AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS*, "**with the recommendation **TO REPORT OUT ONLY.**

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

Bill No. 88-38 (COR)

Introduced by:

Telo T. Taitague
Sabina Flores Perez
Therese M. Terlaje
Chris Barnett
Shelly V. Calvo
V. Anthony Ada

AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings & intent. *I Liheslaturan Guåhan* finds that Guam faces a significant issue with junk and abandoned vehicles, surpassing the challenges faced by other jurisdictions across the nation. A primary obstacle in enforcing Guam's junk and abandoned vehicle laws is the failure to complete vehicle ownership transfers upon sale.

I Liheslaturan Guåhan further finds that the tax imposed on vehicle ownership transfers is based on the Kelley Blue Book value, rather than the vehicle's condition and actual sale amount. The Kelley Blue Book assigns values based on excellent, good, or fair conditions, but it does not account for vehicles in disrepair

or with conditions that fall below the lowest fair market assessment. This tax valuation method is inaccurate and does not always reflect a vehicle's true worth, resulting in inflated tax assessments.

I Liheslaturan Guåhan further finds that these excessively high title transfer costs for Guam residents often prevent them from completing the transfer process, many of whom are selling their vehicles due to hardship. Consequently, many vehicles remain registered under previous owners because the high cost of title transfers discourages the buyers from completing the process, leaving vehicles unaccounted for when abandoned and ultimately contributing to the growing issue of junk and abandoned vehicles across the island.

Therefore, it is the intent of *I Liheslaturan Guåhan* to streamline the process by eliminating the requirement for Kelley Blue Book valuations and only assessing taxes based on the Bill of Sale amount to ensure a fair and accurate taxation process, reduce unnecessary financial burdens on the community, and address the longstanding issue of abandoned vehicles. Additionally, it is the intent of *I Liheslaturan Guåhan* to ensure that the Department of Revenue and Taxation establishes the necessary rules and regulations to effectively administer and implement this policy.

Section 2. Chapter 25 of Title 16, Guam Code Annotated is hereby *repealed and reenacted* to read:

"CHAPTER 25 VEHICLE TRANSFER TAX

~~§ 25101. Tax Imposed: Transfer Not to Include Certain Transactions.~~

~~§ 25102. Rate, Penalty and Interest.~~

~~§ 25103. Schedule of Market Values.~~

~~§ 25104. Tax, Penalty and Interest Are Liens.~~

~~§ 25105. Liability for Tax: Collection.~~

~~§ 25106. Receipt.~~

~~§ 25107. Refunds.~~

~~**§ 25101. Tax Imposed: Transfer Not to Include Certain Transactions.**~~

~~(a) A transfer tax is imposed on every transfer of a motor vehicle by other than a licensed dealer.~~

~~(b) The word *transfer* does not include:~~

~~(1) the assignment or sale of the interest reserved by a seller as security for payment of the sale price, whether such interest is defined in a conditional sale agreement, a chattel mortgage, or other kind of instrument; or~~

~~(2) the repossession of a motor vehicle in the exercise of a right or power reserved by or granted to a seller and described in the instrument defining the security interest reserved by such seller.~~

~~(c) The Director of Revenue and Taxation is authorized to charge fees changes in the registration of motor vehicles:~~

~~(1) Change in motor vehicle body or engine ———— $10.00~~

~~(2) Trailer registration ———————— $10.00~~

~~(3) Change in owner status arising from marriage, death, divorce ———————— $10.00~~

~~(4) Change in ownership arising from repossession ———————————— $10.00~~

~~(5) Purchase from *Bonafide* auto dealer ———— $10.00~~

~~**§ 25102. Rate, Penalty and Interest.**~~

~~The rate of tax is Five Dollars ($5.00) plus two and one half percent (2.5%) of the actual market value on Guam of the vehicle, as determined by the Director of Revenue and Taxation or his delegate, in excess of One Hundred Dollars ($100.00). Any tax not paid within thirty (30) days after transfer is subject to a delinquency~~

~~penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.~~

~~**§ 25103. Schedule of Market Values.**~~

~~The Director of Revenue and Taxation shall compile and post in the Department a schedule of market values as determined by him of each class of vehicle, the vehicle being classified by make, type and year first sold.~~

~~**§ 25104. Tax, Penalty and Interest Are Liens.**~~

~~The tax imposed, delinquency penalty and interest are liens upon the vehicle until they are paid.~~

~~**§ 25105. Liability for Tax: Collection.**~~

~~The transferee is liable for the tax and any penalty or interest due, as provided for in § 25102, on (a) the transfer by which he acquired his interest and (b) any prior transfer.~~

~~A transferee who pays the tax, penalty or interest due on a transfer prior to the one by which he acquired his interest has a right of action against any prior transferee for damages resulting from such transferee's failure to pay the tax imposed by this Chapter.~~

~~The Director of Revenue and Taxation or his delegate shall collect the tax, delinquency penalty and interest due, and give a receipt therefor which shall designate and identify the vehicle and transfer or transfers on which payment has been received.~~

~~If any person liable to pay the tax levied by this Chapter, accrued penalties or interest fails to do so within thirty (30) days after notice and demand by the Director of Revenue and Taxation or his delegate either by personal service or mail directed to such person to his last known address, the Director of Revenue and Taxation or his delegate may issue a warrant directed to the Marshal of the Superior Court for the collection thereof. Such warrant shall have the same force and effect as a writ of~~

~~execution issued by a court. The warrant shall be executed and sale made pursuant to it in the same manner as a writ of execution. The Marshal shall receive, upon completion of his services pursuant to such warrant, the same fees, commissions and expenses in connection with such services as are provided for similar services pursuant to a writ of execution.~~

~~**§ 25106. Receipt.**~~

~~An official receipt showing payment of the tax, delinquency penalty and interest due shall be presented to the Director of Revenue and Taxation before the transferred vehicle may be registered in the name of the transferee.~~

~~**§ 25107. Refunds.**~~

~~The Director of Revenue and Taxation or his delegate shall authorize the Treasurer of Guam, by proper certification, to refund from any funds in the treasury derived from the Vehicle Transfer Tax, any overpayment or erroneously collected assessment of the tax, penalty or interest imposed by this Chapter with interest at one-half (1/2%) per month, or fraction thereof, from the date of overpayment or erroneous collection. No refund shall be paid unless a claim is filed therefor with the Director of Revenue and Taxation within one (1) year from the date of overpayment or erroneous collection.~~

~~Where a refund is due a taxpayer, and the taxpayer has any obligation owing to the government of Guam, the refund or such part thereof as may be necessary shall be applied to the obligation.~~

§ 25101. Purpose.

§ 25102. Definitions.

§ 25103. Taxation on Transfer of Vehicle Title.

§ 25104. Verification and Compliance.

§ 25105. Tax Rate.

§ 25106. Penalties.

§ 25107. Implementation and Administration.

§ 25108. Conditions and Limitations for Title Transfers.

§ 25109. Appeals Process.

§ 25110. Review and Reporting.

§ 25101. Purpose.

The purpose of this Chapter is to establish a fair, transparent, and administratively efficient method for taxing the transfer of vehicle titles in the Territory of Guam. This Chapter ensures that taxation is based on the actual value of a vehicle as stated in a notarized Bill of Sale, rather than an arbitrary or estimated valuation such as an appraisal or blue book value.

§ 25102. Definitions. For the purposes of this Chapter, the following terms *shall* mean:

(a) "Bill of Sale" means a notarized document that confirms the sale and purchase of a vehicle, including the agreed-upon sale price between the buyer and the seller.

(b) "Vehicle" means any motor vehicle required to be registered under the laws of Guam.

(c) "Transfer" and "Transfer of Ownership" means the process of changing the legal owner of a vehicle.

(d) "The Department" means the Department of Revenue and Taxation.

§ 25103. Taxation on Transfer of Vehicle Title.

(a) The tax on the transfer of a vehicle title in the territory of Guam shall be based on the actual sale price as stated in the Bill of Sale.

(b) The Department of Revenue and Taxation shall require a copy of the Bill of Sale to be submitted with the title transfer application.

§ 25104. Verification and Compliance.

The Department of Revenue and Taxation shall establish

Procedures to verify the accuracy of the Bill of Sale, including random audits and inspections.

§ 25105. Tax Rate.

(a) The tax rate for the transfer of vehicle titles shall be Five Dollars ($5.00) plus two- and one-half percent (2.5%) of the value stated on the Bill of Sale.

(b) Exemptions. The following transfers shall be exempt from the tax imposed under this Chapter:

(1) Transfers due to inheritance, provided that sufficient legal documentation is provided and

(2) Transfers involving a vehicle donated to a recognized nonprofit organization.

The Department of Revenue and Taxation shall establish procedures for verifying exempt transactions and require appropriate documentation to support exempted claims.

§ 25106. Penalties.

(a) Any transfer tax not paid within thirty (30) days after the date of Transfer or sale is subject to a delinquency penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.

(b) Failure to notify the Department of any transfer as stated in §25108(a)(1) within thirty (30) calendar days shall result in a fine of Twenty-Five Dollars ($25.00), with an additional Twenty-Five Dollars ($25.00) fine imposed for each subsequent thirty (30) day period of noncompliance.

§ 25107. Implementation and Administration.

(a) The Department of Revenue and Taxation shall be responsible for the implementation and enforcement of this Chapter and shall promulgate Administrative Rules and Regulations for the transfer, titling, and registration of motor vehicles in accordance with Chapter 9, Title 5, of the Guam Code Annotated.

(b) If necessary, the Department may adopt and implement fees related to the transfer of vehicle ownership.

(c) The Administrative Rules and Regulations and fee schedules promulgated pursuant to this section shall be reviewed every three (3) years from the effective date of adoption and amended as necessary.

(d) The Department may retain up to five percent (5%) of the taxes collected under this Chapter to support enforcement, verification, and administrative costs.

§ 25108. Conditions and Limitations for Title Transfers.

(a) The Administrative Rules and Regulations and fee schedules promulgated pursuant to § 25107 of this Chapter shall include provisions necessary for the proper administration of vehicle title transfers in Guam, subject to the following conditions and limitations:

(1) The transferor shall notify the Department of Revenue and Taxation in writing, including an electronic submission through the Department's online system, within fifteen (15) calendar days of the date of transfer. The notification shall include:

(i) the name of the transferee and

(ii) the mailing and residential address of the transferee and

(iii) the date of transfer.

(2) All fees associated with the transfer of vehicle ownership shall be the responsibility of the transferee.

(3) If the transferee opts to register the vehicle for use on Guam's

roads, the registration fee for the first year shall be assessed as follows:

(i) If the vehicle was not registered in Guam at the time of transfer, the transferee shall pay the full annual registration fee.

(ii) If the vehicle was registered in Guam at the time of transfer, the registration fee for the first year shall be prorated to the next registration renewal date.

(b) The registration and transfer of vehicle ownership shall be in compliance with the laws of Guam and the applicable rules and regulations of the Government of Guam.

§ 25109. Appeals Process.

(a) Any individual or entity that disputes a tax assessment, penalty, or audit determination conducted under this Chapter may file an appeal with the Department of Revenue and Taxation within thirty (30) calendar days of receiving notice of the assessment.

(b) The Department shall establish an administrative review process for appeals, which shall include:

(1) A written request for consideration

(2) A review by a designated hearing officer within the Department.

(3) The right to submit supporting documentation or evidence.

(4) A decision issued within forty-five (45) calendar days of the appeal filing date.

(c) If an appellant is dissatisfied with the Department's decision, they may request an independent review by the Tax Appeals Commission under the Office of Public Accountability before proceeding to seek further review by the Superior Court of Guam within thirty (30) calendar days of the Department's final decision.

§ 25110. Review and Reporting.

(a) The Guam Department of Revenue and Taxation shall review the effectiveness of this Chapter to include:

(1) total taxes collected under this Chapter

(2) number and results of audits conducted

(3) number of cases with penalties assessed

(b) Recommendations for any necessary amendments to improve the Act shall be included in the annual report, which shall be submitted to the Legislature and the Governor of Guam."

Section 3. 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 4. Effective Date. This Act shall be effective upon enactment.

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

Bill No. 88-38 (COR)
As Amended by the Committee on Economic Investment, Military Buildup, Regional Relations, Technology, Regulatory Affairs, Justice, Elections, and Retirement

Introduced by:

Telo T. Taitague
Sabina Flores Perez
Therese M. Terlaje
Chris Barnett
Shelly V. Calvo
V. Anthony Ada

AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings & intent. *I Liheslaturan Guåhan* finds that Guam faces a significant issue with junk and abandoned vehicles, surpassing the challenges faced by other jurisdictions across the nation. A primary obstacle in enforcing Guam's junk and abandoned vehicle laws is the failure to complete vehicle ownership transfers upon sale.

I Liheslaturan Guåhan further finds that the tax imposed on vehicle ownership transfers is based on the Kelley Blue Book value, rather than the vehicle's condition and actual sale amount. The Kelley Blue Book assigns values based on excellent, good, or fair conditions, but it does not account for vehicles in disrepair

or with conditions that fall below the lowest fair market assessment. This tax valuation method is inaccurate and does not always reflect a vehicle’s true worth, resulting in inflated tax assessments.

I Liheslaturan Guåhan further finds that these excessively high title transfer costs for Guam residents often prevent them from completing the transfer process, many of whom are selling their vehicles due to hardship. Consequently, many vehicles remain registered under previous owners because the high cost of title transfers discourages the buyers from completing the process, leaving vehicles unaccounted for when abandoned and ultimately contributing to the growing issue of junk and abandoned vehicles across the island.

Therefore, it is the intent of *I Liheslaturan Guåhan* to streamline the process by only assessing taxes based on the Bill of Sale amount to ensure a fair and accurate taxation process, reduce unnecessary financial burdens on the community, and address the longstanding issue of abandoned vehicles.

Section 2. Chapter 25 of Title 16, Guam Code Annotated is hereby *repealed and reenacted* to read:

“CHAPTER 25 VEHICLE TRANSFER TAX

~~§ 25101. Tax Imposed: Transfer Not to Include Certain Transactions.~~

~~§ 25102. Rate, Penalty and Interest.~~

~~§ 25103. Schedule of Market Values.~~

~~§ 25104. Tax, Penalty and Interest Are Liens.~~

~~§ 25105. Liability for Tax: Collection.~~

~~§ 25106. Receipt.~~

~~§ 25107. Refunds.~~

~~§ 25101. Tax Imposed: Transfer Not to Include Certain Transactions.~~

~~(a) A transfer tax is imposed on every transfer of a motor vehicle by other than a licensed dealer.~~

~~(b) The word *transfer* does not include:~~

~~(1) the assignment or sale of the interest reserved by a seller as security for payment of the sale price, whether such interest is defined in a conditional sale agreement, a chattel mortgage, or other kind of instrument; or~~

~~(2) the repossession of a motor vehicle in the exercise of a right or power reserved by or granted to a seller and described in the instrument defining the security interest reserved by such seller.~~

~~(c) The Director of Revenue and Taxation is authorized to charge fees changes in the registration of motor vehicles:~~

~~(1) Change in motor vehicle body or engine~~	~~$10.00~~
~~(2) Trailer registration~~	~~$10.00~~
~~(3) Change in owner status arising from marriage, death, divorce~~	~~$10.00~~
~~(4) Change in ownership arising from repossession~~	~~$10.00~~
~~(5) Purchase from *Bonafide* auto dealer~~	~~$10.00~~

~~§ 25102. Rate, Penalty and Interest.~~

~~The rate of tax is Five Dollars ($5.00) plus two and one half percent (2.5%) of the actual market value on Guam of the vehicle, as determined by the Director of Revenue and Taxation or his delegate, in excess of One Hundred Dollars ($100.00). Any tax not paid within thirty (30) days after transfer is subject to a delinquency penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.~~

~~§ 25103. Schedule of Market Values.~~

~~The Director of Revenue and Taxation shall compile and post in the Department a schedule of market values as determined by him of each class of vehicle, the vehicle being classified by make, type and year first sold.~~

~~§ 25104. Tax, Penalty and Interest Are Liens.~~

~~The tax imposed, delinquency penalty and interest are liens upon the vehicle until they are paid.~~

~~§ 25105. Liability for Tax: Collection.~~

~~The transferee is liable for the tax and any penalty or interest due, as provided for in § 25102, on (a) the transfer by which he acquired his interest and (b) any prior transfer.~~

~~A transferee who pays the tax, penalty or interest due on a transfer prior to the one by which he acquired his interest has a right of action against any prior transferee for damages resulting from such transferee's failure to pay the tax imposed by this Chapter.~~

~~The Director of Revenue and Taxation or his delegate shall collect the tax, delinquency penalty and interest due, and give a receipt therefor which shall designate and identify the vehicle and transfer or transfers on which payment has been received.~~

~~If any person liable to pay the tax levied by this Chapter, accrued penalties or interest fails to do so within thirty (30) days after notice and demand by the Director of Revenue and Taxation or his delegate either by personal service or mail directed to such person to his last known address, the Director of Revenue and Taxation or his delegate may issue a warrant directed to the Marshal of the Superior Court for the collection thereof. Such warrant shall have the same force and effect as a writ of execution issued by a court. The warrant shall be executed and sale made pursuant to it in the same manner as a writ of execution. The Marshal shall receive, upon completion of his services pursuant to such warrant, the same fees, commissions and~~

~~expenses in connection with such services as are provided for similar services pursuant to a writ of execution.~~

~~**§ 25106. Receipt.**~~

~~An official receipt showing payment of the tax, delinquency penalty and interest due shall be presented to the Director of Revenue and Taxation before the transferred vehicle may be registered in the name of the transferee.~~

~~**§ 25107. Refunds.**~~

~~The Director of Revenue and Taxation or his delegate shall authorize the Treasurer of Guam, by proper certification, to refund from any funds in the treasury derived from the Vehicle Transfer Tax, any overpayment or erroneously collected assessment of the tax, penalty or interest imposed by this Chapter with interest at one half (1/2%) per month, or fraction thereof, from the date of overpayment or erroneous collection. No refund shall be paid unless a claim is filed therefor with the Director of Revenue and Taxation within one (1) year from the date of overpayment or erroneous collection.~~

~~Where a refund is due a taxpayer, and the taxpayer has any obligation owing to the government of Guam, the refund or such part thereof as may be necessary shall be applied to the obligation.~~

§ 25101. Purpose.

§ 25102. Definitions.

§ 25103. Taxation on Transfer of Vehicle Title.

§ 25104. Verification and Compliance.

§ 25105. Tax Rate.

§ 25106. Penalties.

§ 25107. Implementation and Administration.

§ 25108. Conditions and Limitations for Title Transfers.

§ 25109. Appeals Process.

§ 25110. Review and Reporting.

§ 25101. Purpose.

The purpose of this Chapter is to establish a fair, transparent, and administratively efficient method for taxing the transfer of vehicle titles in the Territory of Guam. This Chapter ensures that taxation is based on the actual value of a vehicle as stated in a notarized Bill of Sale, rather than an arbitrary or estimated valuation such as an appraisal or blue book value.

§ 25102. Definitions. For the purposes of this Chapter, the following terms *shall* mean:

(a) "Bill of Sale" means a notarized document that confirms the sale and purchase of a vehicle, including the agreed-upon sale price between the buyer and the seller.

(b) "Vehicle" means any motor vehicle required to be registered under the laws of Guam.

(c) "Transfer" and "Transfer of Ownership" means the process of changing the legal owner of a vehicle.

(d) "The Department" means the Department of Revenue and Taxation.

§ 25103. Taxation on Transfer of Vehicle Title.

(a) The tax on the transfer of a vehicle title in the territory of Guam shall be based on the actual sale price as stated in the Bill of Sale.

(b) The Department of Revenue and Taxation shall require a copy of the Bill of Sale to be submitted with the title transfer application.

§ 25104. Verification and Compliance.

The Department of Revenue and Taxation shall establish Procedures to verify the accuracy of the Bill of Sale, including random audits and inspections.

§ 25105. Tax Rate.

(a) <u>The tax rate for the transfer of vehicle titles shall be Five Dollars ($5.00) plus two- and one-half percent (2.5%) of the value stated on the Bill of Sale.</u>

(b) <u>Exemptions. The following transfers shall be exempt from the tax imposed under this Chapter:</u>

(1) <u>Transfers due to inheritance, provided that sufficient legal documentation is provided and</u>

(2) <u>Transfers involving a vehicle donated to a recognized nonprofit organization.</u>

<u>**§ 25106. Penalties.**</u>

(a) <u>Any transfer tax not paid within thirty (30) days after the date of Transfer or sale is subject to a delinquency penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.</u>

(b) <u>Failure to notify the Department of any transfer as stated in §25108(a)(1) within thirty (30) calendar days shall result in a fine of Twenty-Five Dollars ($25.00), with an additional Twenty-Five Dollars ($25.00) fine imposed for each subsequent thirty (30) day period of noncompliance.</u>

<u>**§ 25107. Review and Reporting.**</u>

(a) <u>The Guam Department of Revenue and Taxation shall review the effectiveness of this Chapter to include total taxes collected under this Chapter.</u>

<u>(b) Recommendations for any necessary amendments to improve the Act shall be included in the annual report for each calendar year, which shall be submitted to the Legislature and the Governor of Guam one hundred eight (180) days after the end of the calendar year."</u>

Section 3. 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 4. Effective Date. This Act shall be effective on enactment.

Committee Markup Version

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

Bill No. 88-38 (COR)
As Amended by the Committee on Economic Investment,
Military Buildup, Regional Relations, Technology,
Regulatory Affairs, Justice, Elections, and Retirement

Introduced by:

Telo T. Taitague
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Therefore, it is the intent of *I Liheslaturan Guåhan* to streamline the process by ~~eliminating the requirement for Kelley Blue Book valuations and~~ only assessing taxes based on the Bill of Sale amount to ensure a fair and accurate taxation process, reduce unnecessary financial burdens on the community, and address the longstanding issue of abandoned vehicles. ~~Additionally, it is the intent of *I Liheslaturan Guåhan* to ensure that the Department of Revenue and Taxation establishes the necessary rules and regulations to effectively administer and implement this policy.~~

Section 2. Chapter 25 of Title 16, Guam Code Annotated is hereby *repealed and reenacted* to read:

"CHAPTER 25 VEHICLE TRANSFER TAX

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~~Where a refund is due a taxpayer, and the taxpayer has any obligation owing to the government of Guam, the refund or such part thereof as may be necessary shall be applied to the obligation.~~

§ 25101. Purpose.

§ 25102. Definitions.

§ 25103. Taxation on Transfer of Vehicle Title.

§ 25104. Verification and Compliance.

§ 25105. Tax Rate.

§ 25106. Penalties.

§ 25107. Implementation and Administration.

§ 25108. Conditions and Limitations for Title Transfers.

§ 25109. Appeals Process.

§ 25110. Review and Reporting.

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The purpose of this Chapter is to establish a fair, transparent, and administratively efficient method for taxing the transfer of vehicle titles in the Territory of Guam. This Chapter ensures that taxation is based on the actual value of a vehicle as stated in a notarized Bill of Sale, rather than an arbitrary or estimated valuation such as an appraisal or blue book value.

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§ 25103. Taxation on Transfer of Vehicle Title.

(a) The tax on the transfer of a vehicle title in the territory of Guam shall be based on the actual sale price as stated in the Bill of Sale.

(b) The Department of Revenue and Taxation shall require a copy of the Bill of Sale to be submitted with the title transfer application.

§ 25104. Verification and Compliance.

The Department of Revenue and Taxation shall establish

Procedures to verify the accuracy of the Bill of Sale, including random audits and inspections.

§ 25105. Tax Rate.

(a) The tax rate for the transfer of vehicle titles shall be Five Dollars ($5.00) plus two- and one-half percent (2.5%) of the value stated on the Bill of Sale.

(b) Exemptions. The following transfers shall be exempt from the tax imposed under this Chapter:

(1) Transfers due to inheritance, provided that sufficient legal documentation is provided and

(2) Transfers involving a vehicle donated to a recognized nonprofit organization.

~~The Department of Revenue and Taxation shall establish procedures for verifying exempt transactions and require appropriate documentation to support exempted claims.~~

§ 25106. Penalties.

(a) Any transfer tax not paid within thirty (30) days after the date of Transfer or sale is subject to a delinquency penalty of five percent (5%) of the tax, and in addition, interest thereafter until paid at one-half percent (1/2%) per month or fraction thereof.

(b) Failure to notify the Department of any transfer as stated in §25108(a)(1) within thirty (30) calendar days shall result in a fine of Twenty-Five Dollars ($25.00), with an additional Twenty-Five Dollars ($25.00) fine imposed for each subsequent thirty (30) day period of noncompliance.

~~**§ 25107. Implementation and Administration.**~~

~~(a) The Department of Revenue and Taxation shall be responsible for~~

~~the implementation and enforcement of this Chapter and shall promulgate Administrative Rules and Regulations for the transfer, titling, and registration of motor vehicles in accordance with Chapter 9, Title 5, of the Guam Code Annotated.~~

~~(b) If necessary, the Department may adopt and implement fees related to the transfer of vehicle ownership.~~

~~(c) The Administrative Rules and Regulations and fee schedules promulgated pursuant to this section shall be reviewed every three (3) years from the effective date of adoption and amended as necessary.~~

~~(d) The Department may retain up to five percent (5%) of the taxes collected under this Chapter to support enforcement, verification, and administrative costs.~~

~~**§ 25108. Conditions and Limitations for Title Transfers.**~~

~~(a) The Administrative Rules and Regulations and fee schedules promulgated pursuant to § 25107 of this Chapter shall include provisions necessary for the proper administration of vehicle title transfers in Guam, subject to the following conditions and limitations:~~

~~(1) The transferor shall notify the Department of Revenue and Taxation in writing, including an electronic submission through the Department's online system, within fifteen (15) calendar days of the date of transfer. The notification shall include:~~

~~(i) the name of the transferee and~~

~~(ii) the mailing and residential address of the transferee and~~

~~(iii) the date of transfer.~~

~~(2) All fees associated with the transfer of vehicle ownership shall be the responsibility of the transferee.~~

~~(3) If the transferee opts to register the vehicle for use on Guam's~~

~~roads, the registration fee for the first year shall be assessed as follows:~~

~~(i) If the vehicle was not registered in Guam at the time of transfer, the transferee shall pay the full annual registration fee.~~

~~(ii) If the vehicle was registered in Guam at the time of transfer, the registration fee for the first year shall be prorated to the next registration renewal date.~~

~~(b) The registration and transfer of vehicle ownership shall be in compliance with the laws of Guam and the applicable rules and regulations of the Government of Guam.~~

~~**§ 25109. Appeals Process.**~~

~~(a) Any individual or entity that disputes a tax assessment, penalty, or audit determination conducted under this Chapter may file an appeal with the Department of Revenue and Taxation within thirty (30) calendar days of receiving notice of the assessment.~~

~~(b) The Department shall establish an administrative review process for appeals, which shall include:~~

~~(1) A written request for consideration~~

~~(2) A review by a designated hearing officer within the Department.~~

~~(3) The right to submit supporting documentation or evidence.~~

~~(4) A decision issued within forty-five (45) calendar days of the appeal filing date.~~

~~(c) If an appellant is dissatisfied with the Department's decision, they may request an independent review by the Tax Appeals Commission under the Office of Public Accountability before proceeding to seek further review by the Superior Court of Guam within thirty (30) calendar days of the Department's final decision.~~

§ 251~~10~~ 07. Review and Reporting.

(a) The Guam Department of Revenue and Taxation shall review the effectiveness of this Chapter to include total taxes collected under this Chapter.~~:~~

~~(1) total taxes collected under this Chapter~~

~~(2) number and results of audits conducted~~

~~(3) number of cases with penalties assessed~~

(b) Recommendations for any necessary amendments to improve the Act shall be included in the annual report for each calendar year, which shall be submitted to the Legislature and the Governor of Guam one hundred eight (180) days after the end of the calendar year."

Section 3. 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 4. Effective Date. This Act shall be effective ~~upon~~ on enactment.

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

March 17, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Senator Christopher M. Dueñas**
Acting Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 88-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 88-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.

Bureau of Budget & Management Research
Fiscal Note of Bill No. 88-38 (COR)

AN ACT TO REPEAL AND REENACT CHAPTER 25, TITLE 16, GUAM CODE ANNOTATED, RELATIVE TO ASSESSING THE TAXATION OF VEHICLE TITLE TRANSFERS ON THE BILL OF SALE ONLY AND STREAMLINING VEHICLE OWNERSHIP TRANSFERS.

Department/Agency Appropriation Information	
Dept./Agency Affected: Department of Revenue and Taxation (DRT)	Dept./Agency Head: Lizama, Marie P., Director
Department's General Fund (GF) appropriation(s) to date:	$14,837,221
	$2,898,268
Total Department/Agency Appropriation(s) to date:	$17,735,489

Fund Source Information of Proposed Appropriation	General Fund:	Special Fund:	Total:
FY 2024 Unreserved Fund Balance	$0	$0	$0
FY 2025 Adopted Revenues	$0	$0	$0
FY 2025 Appro. (P.L. 37-125)	$0	$0	$0
Sub-total:	$0	$0	$0
Less appropriation in Bill	$0	$0	$0
Total:	$0	$0	$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2025 (if applicable)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	$0	$0	$0	$0	$0	$0
Special Fund	$0	$0	$0	$0	$0	$0
Total	1/	$0	$0	$0	$0	$0

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
   If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
   If no, what is the additional amount required? $ ________ /X/ N/A
3. Does the Bill establish a new program/agency? / / Yes /X/ No
   If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
   Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
   /X/ Requested agency comments not received by due date: DRT / / Other

Analyst: [signature] Raymond Rieta, BMA IV Date: 3/17/25 Director: [signature] Lester L. Carlson, Jr., Director Date: MAR 17 2025

Notes:
1/ See Additional Comments.

Bureau of Budget & Management Research
Comments on Bill No. 88-38 (COR)

Bill No. 88-38 is an act to streamline the process of vehicle ownership transfers by eliminating the requirement for Kelley Blue Book (KBB) valuations and only assessing taxes based on the Bill of Sale amount. The Bill cites that the tax valuation method used in imposing taxes on vehicle ownership transfers based on the KBB value is inaccurate and does not always reflect a vehicle's true worth, resulting in inflated tax assessments.

As written, the Bill proposes no changes in the tax rate for the transfer of vehicle titles which is five dollars ($5) plus two-and one-half percent (2.5%) of the value. The Bill does propose that the taxes be assessed only on the Bill of Sale amount instead of the current KBB value, which would reflect a vehicle's true worth. Because of the inherent disparity between the KBB valuation of a vehicle and the actual Bill of Sale amount, the overall taxes assessed on vehicle ownership transfers would be affected accordingly. Information was obtained from the reported revenues generated from all vehicle registration fees assessed, as part of the Guam Highway Fund (GHF), during the past five (5) fiscal years from FY20 through FY24, see below:

Vehicle / Registration Fees

Fiscal Years	Revenues
FY2020	$7,698,217
FY2021	$9,408,608
FY2022	$9,337,943
FY2023	$9,052,241
FY2024	$9,786,117

It should be noted that although the above information indicates the total revenues generated from vehicle registration fees for the corresponding fiscal years, the figures do not indicate how much of the amounts specifically represent vehicle ownership transfers. The proposed changes in tax valuations assessed on these transfers may affect overall collections to the GHF, however, absent revenue amounts generated specifically from vehicle ownership transfers, as well as comment from the DRT whether the passage of the Bill would fiscally impact the department's current operations, the Bureau is unable to ascertain the fiscal impact of this proposed legislation.