

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
228-38 (COR)	Jesse A. Lujan Christopher M. Dueñas Frank F. Blas Jr. Vincent A.V. Borja Sabrina Salas Matanane Eulogio Shawn Gumataotao Shelly V. Calvo V. Anthony Ada Tina Rose Muña Barnes Joe S. San Agustin	AN ACT TO <i>ADD</i> A NEW ARTICLE 4 TO CHAPTER 58, TITLE 12, GUAM CODEANNOTATED, RELATIVE TO ESTABLISHING THE "ENHANCING TOURISM AESTHETICS PROGRAM."	11/18/25 2:34 p.m.	11/25/25 12:14 p.m.	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs.	Request: 11/25/25 12/9/25			



COMMITTEE ON RULES

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

December 9, 2025

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

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

Subject: **Fiscal Note for Bill No. 228-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 228-38 (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 copy the same to Management Information Services (MIS) for posting on our website.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 228-38 (COR)**

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

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Economic Development Authority	Dept./Agency Head: Christina D. Garcia, Chief Executive Officer/Administrator
Department's anticipated revenues to date:	\$4,404,743
Department's appropriation(s) to date:	\$0
Total Department/Agency revenues to date:	\$4,404,743

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2025 Unreserved Fund Balance		\$0	\$0
FY 2026 Adopted Revenues	\$0	\$0	\$0
FY 2026 Appro. (P.L. 38-60)	\$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 2026 (if applicable)	FY 2027	FY 2028	FY 2029	FY 2030
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$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? /X/ Yes / / 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
/ / Requested agency comments not received by due date / / Other:

Analyst: Joaquin A.J. Guerrero II Date: 12/5/25 Director: Lester L. Carlson, Jr. Date: DEC 05 2025

Notes:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 228-38 (COR)

The proposed legislation intends to add a new Article 4 to Chapter 58, Title 12 of the Guam Code Annotated to establish the “Enhancing Tourism Aesthetics Program”. The program will provide one or more tax incentives for qualified businesses that make improvements to commercial structures located within designated tourism and village revitalization corridors.

The tax incentives cited within the proposed legislation applicable to qualified businesses, subject to rules adopted by the Guam Economic Development Authority (GEDA), include the following:

1. A credit against the unpledged portion of Business Privilege Taxes owed;
2. A one hundred percent (100%) abatement of Real Property Taxes for up to three (3) years on the assessed value of improvements to the property;
3. A one hundred percent (100%) Use Tax exemption on materials, equipment, and fixtures imported for use in the approved improvement, if claimed within one (1) year of completion.

The proposed legislation further states that the aggregate incentive value issued to any applicant shall not exceed twenty-five percent (25%) of the verified project cost or Two Hundred Fifty Thousand Dollars (\$250,000), whichever is less. Approved credits not fully utilized in the first tax year may be carried forward for up to two (2) subsequent tax years. Additionally, the aggregate value of all incentives issued under the program shall not exceed Five Million Dollars (\$5,000,000) per fiscal year. Unused credits not exceeding Two Hundred Fifty Thousand Dollars (\$250,000) may be carried forward for one (1) additional fiscal year. GEDA may allocate up to two percent (2%) of the total value of tax incentives authorized under the program within each fiscal year for administrative, verification, and reporting expenses. Moreover, the program shall expire five (5) years after enactment unless reauthorized by *I Liheslaturan Guåhan*.

Per comments provided by GEDA, their proposed two percent (2%) allocation of the total value of tax incentives authorized each fiscal year is in question as the bill states that the amount “shall not be charged to or deducted from any applicant’s approved incentive amount.” Further, more discussion on the structure of the program is needed prior to the bill potentially being enacted into law. Qualifying Certificates (QCs) in general have rigorous application processing procedures and have more stringent requirements regarding job creation, compliance terms, and more. Determining if the incentives proffered in the bill fit within the confines of the QC program is crucial towards a more efficient implementation of the proposed program.

Lastly, the Bureau notes that any tax exemptions or abatements will pose a negative fiscal impact on overall revenue collections and adversely affect the government’s ability to fund other essential services, including public safety, education, and critical social programs in the annual budget process. The Government of Guam will have to closely monitor its current revenue streams as the federal government is canceling essential federally funded local programs, which will consequently become a substantial responsibility of the local government.