

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
270-38 (COR)	Therese M. Terlaje Telo T. Taitague Chris Barnett	AN ACT TO <i>AMEND</i> §73128 AND §73143 OF CHAPTER 73, TITLE 5 GUAM CODE ANNOTATED AND §2406, §2412 OF CHAPTER 2, TITLE 4 GUAM ADMINISTRATIVE RULES AND REGULATIONS RELATIVE TO STRENGTHENING THE INSPECTION OF INCOMING CARGO IN GUAM.	2/6/26 3:50 p.m.	2/13/26	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs.	Request: 2/13/26 2/27/26			



COMMITTEE ON RULES

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

February 27, 2026

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. 270-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 270-38 (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. 270-38 (COR)**

AN ACT TO AMEND §73128 AND §73143 OF CHAPTER 73, TITLE 5 GUAM CODE ANNOTATED AND §2406, §2412 OF CHAPTER 2, TITLE 4 GUAM ADMINISTRATIVE RULES AND REGULATIONS RELATIVE TO STRENGTHENING THE INSPECTION OF INCOMING CARGO IN GUAM.

Department/Agency Appropriation Information

Dept./Agency Affected: Guam Customs and Quarantine Agency (CQA)	Dept./Agency Head: Ignacio Q. Peredo, Director
Department's General Fund (GF) appropriation(s) to date:	\$14,587,104
Department's Other Fund (Specify) appropriation(s) to date: Customs, Agriculture, and Quarantine Inspection Services Fund	\$7,651,633
Total Department/Agency Appropriation(s) to date:	\$22,238,737

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

- Does the bill contain "revenue generating" provisions? /X/ Yes / / No
If Yes, see attachment
- 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
- 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
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: / / Yes /X/ No
/X/ Requested agency comments not received by due date / / Other:

Analyst: Louis Schmelzinger Date: 02/23/2026 Director: Lester L. Carlson, Jr. Date: **FEB 27 2026**

Comments:
1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 270-38 (COR)

The proposed legislation intends to mandate all containers designated for inspection to remain within a Customs-designated secured facility under the control of the Customs and Quarantine Agency (CQA) until the official clearance process is completed. To provide operational flexibility, the bill allows for the establishment of Provisional Inspection Sites, provided applicants hold a valid Government of Guam business license and meet stringent security requirements, including the submission of facility blueprints, installation of perimeter fencing with locked gates, and the provision of adequate lighting.

To ensure compliance, the legislation proposes penalties for unauthorized access. The fine for tampering with a Customs seal at either a secured or provisional facility is proposed to increase from Twenty-Five Thousand Dollars (\$25,000) to One Hundred Thousand Dollars (\$100,000), or equal to the value of the article or articles introduced or attempted to be introduced, whichever is greater. Additionally, two (2) violations occurring in 10 years will result in a mandatory two-year business license suspension, unless waived in writing by the CQA Director. In cases of recidivism, where two (2) or more violations occur within a ten-year period, the business licenses of all involved principals shall be permanently revoked.

The Bureau requested input on the proposed legislation from the CQA and has not received any official comments as of this fiscal note. Therefore, the cost impact for a Customs-designated secured facility and proposed fine increases are unable to be determined at this time. The cost impact for a Customs-designated secured facility will be contingent upon several variables, including the location of the facility, total square footage, and required security infrastructure. If enacted into law, the Bureau estimates a positive cost impact to the Customs, Agriculture, and Quarantine Inspection Services Fund relative to revenue collections from increased fines deposited from Customs seal violations.

Additionally, the Bureau notes the proposed provisions for the mandatory suspension and permanent revocation of business licenses could lead to a decrease in licensing fee collections. Furthermore, the Bureau expresses concern that the severity of these penalties may lead to the permanent closure of non-compliant entities, ultimately resulting in a loss of associated tax revenues, such as Business Privilege Taxes.